



ARYAMAN

FINANCIAL SERVICES LIMITED



CORPORATE INFORMATION

CIN: L74899DL1994PLC059009

BOARD OF DIRECTORS:

EXECUTIVE DIRECTORS:

- ☞ Mr. Shripal Shah
- ☞ Mr. Shreyas Shah

INDEPENDENT DIRECTORS:

- ☞ Mr. Darshit Parikh
- ☞ Mr. Ram Gaud
- ☞ Mr. Abhinav Anand

NON-EXECUTIVE DIRECTOR :

- ☞ Mrs. Meloni Shah

KEY MANAGERIAL PERSON:

- ☞ Mr. Shripal Shah (Chief Financial Officer)
- ☞ Ms. Gunjan Kataruka (Company Secretary)

STATUTORY AUDITOR:

M/s V. N. Purohit & Co.,
Chartered Accountants
(Firm Registration No. 304040E)
214, New Delhi House. 2nd Floor
27, Barakhamba Road
New Delhi- 110001

CORPORATE OFFICE:

60, Khatau Building, Ground. Floor,
Alkesh Dinesh Modi Marg,
Fort, Mumbai – 400 001

COMMITTEES:

AUDIT COMMITTEE:

- ☞ Mr. Darshit Parikh (Chairman)
- ☞ Mr. Shripal Shah (Member)
- ☞ Mr. Ram Gaud (Member)

STAKEHOLDERS RELATIONSHIP COMMITTEE:

- ☞ Mr. Darshit Parikh (Chairman)
- ☞ Mr. Abhinav Anand (Member)
- ☞ Mr. Shripal Shah (Member)

NOMINATION REMUNERATION COMMITTEE:

- ☞ Mr. Darshit Parikh (Chairman)
- ☞ Mr. Ram Gaud (Member)
- ☞ Mr. Abhinav Anand (Member)

REGISTRAR AND SHARE TRANSFER AGENT:

Adroit Corporate Services Private Limited
19/20, Jafferboy Industrial Estate
1st Floor, Makwana Road,
Marol Naka, Andheri (E),
Mumbai – 400 059

REGISTERED OFFICE:

102, Ganga Chambers, 6A/1, W.E.A.,
Karol Bagh,
New Delhi – 110 005

Request to Members

Members are requested to send their queries, if any, relating to the annual report, shareholding, etc., to the Company Secretary at the Corporate Office of the Company, on or before Wednesday, September 18, 2019, so that the answers / details can be kept ready at the Annual General Meeting.

Ms. Gunjan Kataruka (Company Secretary)

60, Khatau Building, Ground. Floor,

Alkesh Dinesh Modi Marg,

Fort, Mumbai – 400 001

Tel: 022 – 6216 6999

Fax: 022 – 2263 0434

Mail Id: info@afsl.co.in

NOTICE

NOTICE is hereby given that the **Twenty Fifth Annual General Meeting** of the Members of **Aryaman Financial Services Limited** will be held on **Wednesday, September 25, 2019** at **10:00 A.M.** at **Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi – 110 074** to transact the following business:

ORDINARY BUSINESS:

- 1) To consider and adopt :-
 - a. the audited financial statements of the company for the financial year ended March 31, 2019, together with the Report of the Board and the Auditors thereon; and
 - b. the audited Consolidated financial statements of the company for the financial year ended March 31, 2019, together with the Report of the Board and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Shreyas Shah (DIN: 01835575), who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS:**3) Appointment of Mr. Abhinav Anand as Independent Director**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Abhinav Anand (DIN: 07732241), who was appointed as an Additional Director (Non Executive & Independent) of the Company with effect from November 14, 2018 by the Board of Directors and who holds office upto the date of this Annual General Meeting of this Company under Section 161(1) of the Companies Act, 2013 (“the Act”), and in respect of whom the Company has received a notice in writing from a member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule IV of the Act(including any statutory modification or re-enactment thereof for the time being in force) and the Companies(Appointment and Qualification of Directors)Rules, 2014, as amended from time to time, Mr. Abhinav Anand (DIN: 07732241), who meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible to be appointed as Independent Director of the Company, be and is hereby appointed as Independent Director of the Company for a term of five years commencing November 14, 2018.”

4) Appointment of Mrs. Meloni Shah as Non Executive and Non-Independent Director

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mrs. Meloni Shah (DIN: 03342248), who was appointed as an Additional Director (Non Executive & Non Independent) of the Company with effect from February 04, 2019 by the Board of Directors and who holds office upto the date of this Annual General Meeting of this Company under Section 161(1) of the Companies Act, 2013 (“the Act”), and in respect of whom the Company has received a notice in writing from a member under section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as an Non-Executive and Non-Independent Director of the Company for a term upto five consecutive years up to February 03, 2024, not liable to retire by rotation.”

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 (Act) and Details of directors to be re-appointed, in respect of the business as set out in the Notice is annexed hereto.
2. This Notice is being to members of the Company as appearing in Register of Members.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE BLANK PROXY FORM IS ENCLOSED.**
4. Members/Proxy holder/Authorized Representative are requested to bring duly filled Attendance Slip enclosed herewith along with their copy of the Notice to attend the Meeting.
5. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.
6. In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote.
7. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
8. Relevant documents referred to in the Notice, statutory registers will be available for inspection by the members at the Registered Office of the Company during normal business hours on working days. Members desiring to seek information with respect to the businesses in this notice are requested to send their queries at least Seven days before the date of the meeting so that the information can be made available at the meeting.
9. A route map showing directions to reach the venue of the meeting is given in this Notice.
10. Once the vote on a resolution is cast by the member, the member shall not allow changing it subsequently. Further, members who have casted their vote electronically shall not vote by way of poll, if held at the meeting. To provide an opportunity to vote at the meeting to the shareholders, who have not exercised the remote e-voting facility, shall be provided ballot papers before the commencement of the meeting. Any person who is not a member as on the cut-off date should treat this notice for information purpose only.
11. Member holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA viz. Adroit Corporate Services Private Limited.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form and submit their PAN to the Company/ RTA viz. Adroit Corporate Services Private Limited.
13. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 19, 2019 to Wednesday, September 25, 2019.**
14. **Voting through electronic means**
 1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at Annual General Meeting by electronic means

and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting (“remote e-voting”) will be provided by Central Depository Services Limited (CDSL).

2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on **Sunday, September 22, 2019 (9:00 a.m.)** and ends on **Tuesday, September 24, 2019 (5:00 p.m.)**. During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Wednesday, September 18, 2019**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. **The process and manner for remote e-voting are as under:**
 - i. The shareholders should log on to the e-voting website www.evotingindia.com.
 - ii. Click on Shareholders/Members.
 - iii. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - iv. Next enter the Image Verification as displayed and Click on Login.
 - v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. • In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for the “Aryaman Financial Services Limited” on which you choose to vote.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
16. Mr. Jitender Singh, Practicing Company Secretary (C.P. No.: 12463) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
17. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
18. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
19. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company <http://afsl.co.in/investor-relation.html> and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
20. **GREEN INTIATIVE**
- As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' initiated by the Ministry of Corporate Affairs, Government of India (MCA), by its recent circulars, enabling electronic delivery of documents including the annual reports, notices, circulars to shareholders at their e-mail address previously registered with the depository participants (DPs)/company/registrar and share transfer agents. Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses to help us in the endeavour to save trees and protect the planet. Those holding shares in demat form can register their email address with their concerned DP. Those shareholders who hold shares in physical form are requested to register their e-mail addresses with our registrar, Adroit Corporate Services Pvt. Ltd, by sending a duly filed “registration / updation of shareholder information form” available on <http://afsl.co.in/investor-relation.html>, duly signed by the first /sole holder quoting details of folio no.

21. As per regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except for transmission or transposition of securities. In view of this and to eliminate all risks associated with the physical shares members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact Company or Company's Registrar and Transfer Agents of the Company for any support in this regard.

22. **All queries relating to Share Transfer and allied subjects should be addressed to:**
Adroit Corporate Services Private Limited

19/20, Jafferboy Industrial Estate
1st Floor, Makwana Road,
Marol Naka, Andheri (E),
Mumbai – 400 059

Registered Office:

102, Ganga Chambers,
6A/1, W.E.A., Karol Bagh,
New Delhi – 110 0051

Tel : 022 – 6216 6999

Fax: 022 – 2263 0434

CIN: L74899DL1994PLC059009

Website: <http://www.afsl.co.in>

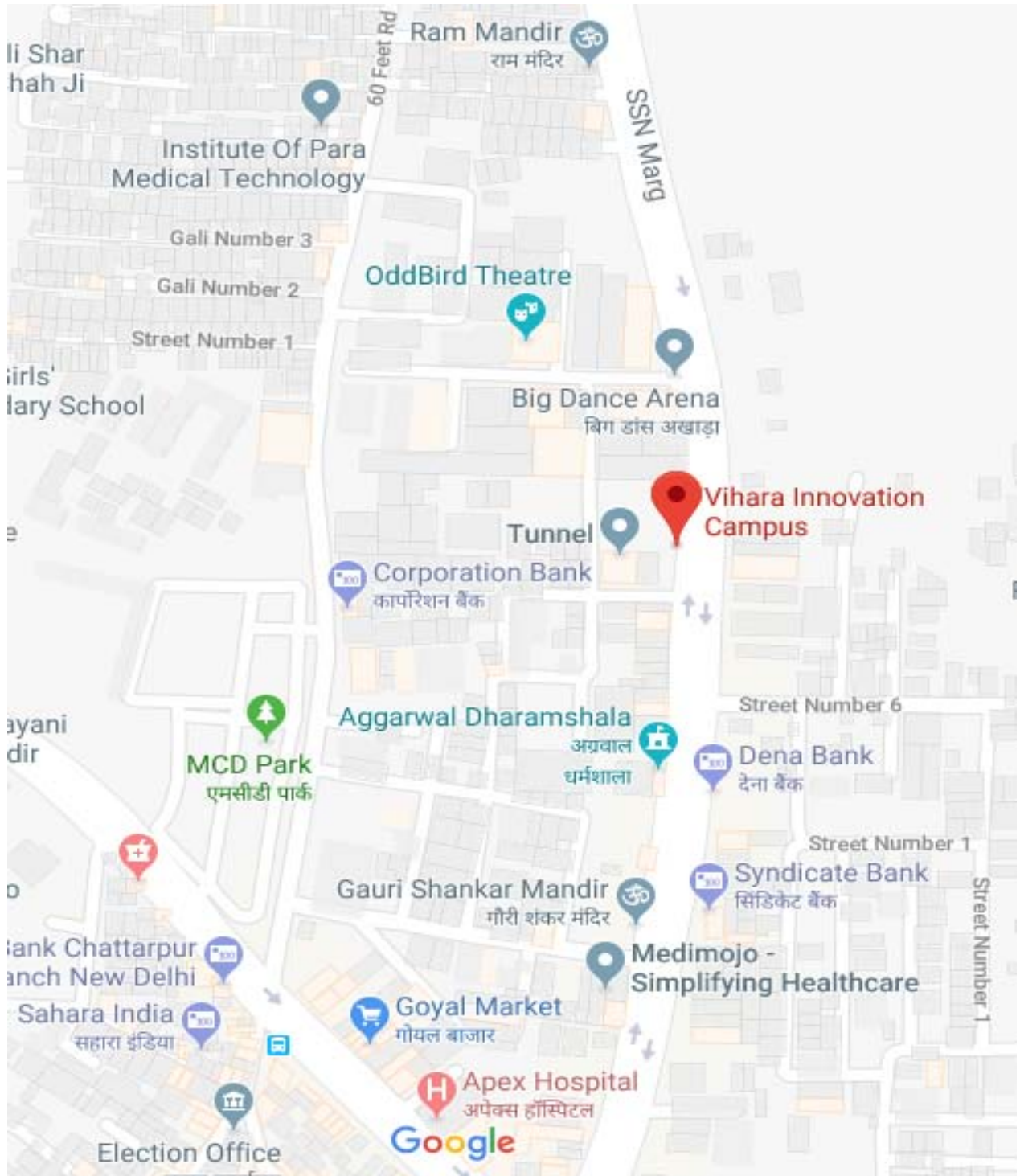
Email: info@afsl.co.in

By Order Of The Board Of Directors
FOR ARYAMAN FINANCIAL SERVICES LIMITED

Sd/-
GUNJAN KATARUKA
(Company Secretary)
Mumbai, Saturday, August 31, 2019

ROUTE MAP TO THE 25th AGM VENUE

Venue Address: Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi - 110074



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS:

Item No. 3:

The Board of Directors based on the recommendation of Nomination and Remuneration Committee had appointed Mr. Abhinav Anand (DIN: 07732241), as an Additional Director (Non-Executive and Independent Director) at the meeting held on November 14, 2018 with immediate effect, pursuant to the Section 161(1) and other applicable provisions of the Companies Act, 2013.

Mr. Abhinav Anand being eligible is proposed to be appointed as a Non- Executive and Independent Director for a term of five years till November 13, 2023.

The Company has received the following from Mr. Abhinav Anand:

- (a) Consent in writing to act as director
- (b) Intimation to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and;
- (c) A declaration to the effect that he meets the criteria of independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Mr. Abhinav Anand has experience of more than 7 Years in the field of Corporate and commercial Litigation, Trademark, Copyright, Design etc. He has expertise in the areas of Corporate and Commercial Litigation. The resolution seeks the approval of members for the appointment of Mr. Abhinav Anand as an Non-Executive, Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

Item No. 4:

The Board of Directors had appointed Mrs. Meloni Shah (DIN: 03342248) as an Additional Director (Non-Executive and Non-Independent Director) at the meeting held on February 04, 2019 with immediate effect, pursuant to the Section 161(1) and other applicable provisions of the Companies Act, 2013.

Mrs. Meloni Shah being eligible is proposed to be appointed as a Non- Executive and Non-Independent Director for a term of five years till February 03, 2024.

The Company has received the following from Mrs. Meloni Shah:

- (a) Consent in writing to act as director
- (b) Intimation to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and;
- (c) A declaration to the effect that she meets the criteria of independence as provided in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

She is a B.Sc(H.S) by qualification. She has Experience of more than 6 Years in the field of investments and finance and also worked as Senior Associate in Escorp Asset Management Limited.

The resolution seeks the approval of members for the appointment of Mrs. Meloni Shah as an Non-Executive and Non-Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. She is not liable to retire by rotation.

The Board considers that her contribution would immensely benefit the Company and it is desirable to avail the services of Mrs. Shah as a Non-executive and Non-Independent Director and accordingly the Board recommends the resolution for the approval of the members.

Mr. Shripal Shah and Mr. Shreyas Shah, Mrs. Meloni Shah, to whom the resolution relates, is interested or concerned in the resolution.

Annexure - A

The relevant details of directors who is proposed to be re-appointed directors of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under;

Particulars	Mr. Shreyas Shah	Mr. Abhinav Anand	Mrs. Meloni Shah
Current Position	Whole Time Director (Liable to retire by rotation)	Independent Director (Not liable to retire by rotation)	Non-Executive and Non-Independent Director (Not liable to retire by rotation)
Age	30 Years	28 Years	31 Years
Qualification	BMS, Gen. LLB	BB.A, LLB	B.Sc(H.S.)
Experience	More than 8 Years in the field of investments and finance	More than 7 Years in the field of Corporate and commercial Litigation, Trademark, Copyright, Design etc	More than 6 Years in the field of investments and finance and worked as Senior Associate in Escorp Asset Management Limited
Date of first Appointment	May 29, 2013	November 14, 2018	February 04, 2019
Remuneration Drawn	Rs. 9.00 Lacs (in FY 2018-19)	No remuneration paid except sitting fees for attending the meetings of the Company.	
Terms and Conditions of Re - Appointment	As per the resolution at item no. 2 of the Notice convening this Meeting read with explanatory statement thereto.	As per the resolution at item no. 3 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Abhinav Anand is proposed to be appointed as Independent Director	As per the resolution at item no. 4 of the Notice convening this Meeting read with explanatory statement thereto, Mrs. Meloni Shah is proposed to be re-appointed as Non-Executive Director
Number of Board Meetings attended during the year	Attended all the Six meetings held till date in F.Y. 2018-19	Attended four meetings held till date in F.Y. 2018-19	Attended One meetings held till date in F.Y. 2018-19
Shareholding in the Company	90,000 Equity Shares	Nil	Nil
Relationship with Other Directors	Mr. Shripal Shah (Brother)	None	Mr. Shripal Shah (Husband) Mr. Shreyas Shah (Brother In-Law)
Directorship in other listed entities	Aryaman Capital Markets Ltd Escorp Asset Management Ltd Roopshri Resorts Ltd	Ducon Infratechnologies Limited	None
Memberships / Chairmanship of Committees in other Companies	One	One	None
Other Directorships	Mahshri Enterprises Pvt Ltd	Harish Textiles Engineers Limited	None

BOARD'S REPORT

To,
The Members,

Your Directors take pleasure in presenting their *Twenty Fifth Annual Report* on the Business and Operations of the Company and the Accounts for the Financial Year ended 31st March, 2019 (period under review).

1. FINANCIAL PERFORMANCE OF THE COMPANY:

The summary of consolidated and standalone financial highlights for the financial year ended March 31, 2019 and previous financial year ended March 31, 2018 is given below:

Consolidated Financial Performance:

(₹ in lakhs)

Particulars	31-Mar-19	31-Mar-18
Total Income	8676.54	3940.90
Less: Expenditure	8,418.24	3,927.12
Profit before Depreciation	258.31	396.75
Less: Depreciation	15.46	13.78
Profit before Tax	242.85	382.97
Provision for Taxation	63.58	84.35
Profit after Tax	179.27	298.63
Other Comprehensive Income	(22.98)	375.60
Total Comprehensive Income	156.29	674.23
Total Profit/Loss for the year attributable to:		
Owners of the Company	177.29	281.95
Non-Controlling Interests	1.98	16.67
Other Comprehensive Income for the year attributable to:		
Owners of the Company	(31.49)	209.55
Non-Controlling Interests	8.52	166.05
Total Comprehensive Income/Loss for the year attributable to:		
Owners of the Company	145.79	491.50
Non-Controlling Interests	10.49	182.72
Earning Per Share (Face Value of ₹10)		
(1) Basic	1.52	2.41
(2) Diluted	1.52	2.41

Standalone Financial Performance:

(₹ in lakhs)

Particulars	31-Mar-19	31-Mar-18
Total Income	865.58	1090.88
Less: Expenditure	632.41	755.47
Profit before Depreciation	233.17	335.41
Less: Depreciation	11.28	11.51
Profit before Tax	221.89	323.9
Provision for Taxation	56.78	82.86
Profit after Tax	165.11	241.04
Other Comprehensive Income	-	-
Total Comprehensive Income	165.11	241.04
Earning Per Share (Face Value of ₹10)		

(1) Basic	1.41	2.01
(2) Diluted	1.41	2.01

FINANCIAL PERFORMANCE:

Standalone:

The Total Income of the Company stood at Rs. 865.58Lacs for the year ended March 31, 2019 as against Rs 1,090.88 Lacs in the previous year. The Company made a Net Profit of Rs. 165.11 Lacs for the year ended March 31, 2019 as compared to the Net Profit of Rs. 241.04 Lacs in the previous year.

Consolidated:

The Consolidated Total Income was higher by 120.16% at Rs. 8676.54 Lacs for the financial year ended March 31, 2019 as against Rs. 3,940.90 Lacs during the previous financial year. Consolidated Net Profit was lower at Rs. 179.27 Lacs for the year ended March 31, 2019 as compared to Rs. 298.63 Lacs in the previous year registering a decrease of 39.97%

The consolidated financials reflect the cumulative performance of the Company together with its subsidiaries. Detailed description about the business carried on by these entities including the Company is contained in the Management Discussion and Analysis report forming part of this Annual Report.

2. DIVIDEND:

The dividend policy for the year under review has been formulated taking into consideration of growth of the company and to conserve resources, the Directors do not recommend any dividend for year ended March 31, 2019.

3. STATE OF AFFAIRS OF THE COMPANY:

Information on the operations and financial performance, among others for the period under review, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

4. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

i. Change in Directors

During the period under review, Following were the changes in Directors

Sr. No.	Date	Name of Director	Changes
1.	04.02.2019	Mrs. Meloni Shah	Appointed as Additional (Non-Executive and Non-Independent) Director
2.	14.11.2018	Mr. Abhinav Anand	Appointed as Non-Executive and Independent Director
3.	05.11.2018	Mrs. Tejal Vala	Resigned as Independent Director

ii. Committees of Board of Directors

With reference to the above we would like to submit that the Board of Directors at their meeting held on 14.11.2018 took note of the resolution for appointment of Mr. Abhinav Anand as Independent Director of the Company in place of Mrs. Tejal Vala who resigned being Independent Director of the Company to reconstitute the following Committee in pursuant to the provision of Section 178 of the Companies Act, 2013 and, in the below mentioned manner

Re-Constitution of Nomination and Remuneration Committee:

Sr. No.	Date of Reconstitution	Committee	Director Name
1.	14.11.2018	Nomination and Remuneration Committee	Mr. Darshit Parikh (Chairman)
			Mr. Ram Gaud (Member)
			Mr. Abhinav Anand (Member)

iii. Independent Directors

Independent Directors have provided their confirmation, that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company.

The Board of Director appreciates for the assistance and guidance provided by Mrs. Tejal Vala (DIN: 05239882) during her tenure as Independent Director of Company.

iv. Retirement by Rotation of the Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shreyas Shah, Executive Director of the Company, retires by rotation and offers himself for re- appointment.

The brief resume of Mr. Shreyas Shah, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, his shareholding etc. are furnished in the “Annexure A” to notice of the ensuing AGM.

v. Key Managerial Personnel

During the period under review, Ms. Gunjan Kataruka was appointed as the Company Secretary and Compliance Officer w.e.f January 01, 2019 due to resignation tendered and accepted by Board of Directors of Mr. Deepesh Jain as on December 31, 2018

5. MEETINGS:

During the year, Six Board Meetings were convened and duly held. The details of which are given in the Corporate Governance Report, which forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

6. AUDIT COMMITTEE:

The Audit Committee comprises of, Mr. Darshit Parikh (Chairman), Mr. Shripal Shah (Member) and Mr. Ram Gaud (Member). Powers and role of the Audit Committee are included in the Corporate Governance Report. All the recommendation made by the Audit Committee was accepted by the Board of Directors.

7. BOARD EVALUATION:

Your Board has devised an Evaluation Policy for evaluating the performance of the Board, its Committees, Executive Directors, Independent Directors. Based on the same, the performance was evaluated for the financial year ended March 31, 2019. As part of the evaluation process, the performance of Non- Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non- Independent Directors was done by the Board excluding the Director being evaluated.

The policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, and relationship with the stakeholders, corporate governance practices, contribution of the committees to the Board in discharging its functions etc.

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (NRC). The Board also carried out the performance evaluation of all the individual directors including the Chairman of the Company. Additionally, NRC also carried out the evaluation of the performance of all the individual directors and Chairman of the Company. The performance evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance with the policy adopted by the Board and after taking into consideration the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The feedback received from the Directors through the above questionnaire was reviewed by the Chairman of the Board and the Chairman of the NRC and then discussed the same at the meetings of the Board and NRC respectively. The performance evaluation of the Chairman, Whole Time Director and the Board as a whole was carried out by the Independent Directors at their separate meeting.

8. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **MGT-9** is annexed as a part of this Annual Report as "*Annexure I*".

The weblink for accessing extract of annual return is <https://www.afsl.co.in/investor-relation.php>

9. REMUNERATION POLICY:

The Company has framed a Nomination and Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Policy is provided in Annexed to this Report as "*Annexure II*".

10. AUDITORS:

i. Statutory Auditors:

Subject to the amendment stated in The Companies Amendment Act, 2017 read with Notification S.O. 1833(E) dated 7th May 2018 deleting the provision of annual ratification of the appointment of auditor, the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with and no resolution has been proposed for the same.

ii. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed JNG & CO., a firm of Company Secretaries in Practice (CP No. 8108), to undertake the Secretarial Audit of the Company for the F.Y. 2018-19. The Secretarial Audit Report for F.Y. 2018-19 is annexed herewith as "*Annexure III*".

iii. Cost Auditor:

Your Company is principally engaged into Merchant Banking. Therefore, Section 148 of the Companies Act, 2013 is not applicable to the Company.

11. AUDITOR'S REPORT:

The Auditor's Report and Secretarial Auditor's Report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an Annexure, which forms part of this report.

12. VIGIL MECHANISM:

In pursuance of the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://afsl.co.in/investor-relation.html>.

13. INTERNAL AUDIT & CONTROLS:

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed Thakur & Co., Chartered Accountants, as an Internal Auditors of the Company to check the internal controls and functioning of the activities and recommend ways of improvement. The Internal Audit is carried out quarterly basis; the report is placed in the Audit Committee Meeting and the Board Meeting for their consideration and direction.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

14. RISK ASSESSMENT AND MANAGEMENT:

Your Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business as part of its risk management policy. Your Company also takes all efforts to train its employees from time to time to handle and minimize these risks.

15. LISTING WITH STOCK EXCHANGES:

Aryaman Financial Services Limited continues to be listed on BSE Limited. It has paid the Annual Listing Fees for the year 2018-2019 to BSE Limited.

16. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENT:

As on March 31, 2019, your Company has (Aryaman Capital Markets Limited & Escorp Asset Management Limited). There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Act. There are no changes in subsidiaries, during the period under review.

The Annual Accounts of the above referred subsidiary shall be made available to the shareholders of the Company and of the subsidiary company on request and will also be kept open for inspection at the Registered Office of the Company and of the subsidiary companies during the office hours on all working days and during the Annual General Meeting. Company's consolidated financial statements included in this Annual Report incorporates the accounts of its subsidiaries prepared as per Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company as "*Annexure IV*".

17. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

i. Conservation of Energy

- a) **The steps taken or impact on conservation of energy** – The Operations of the Company are not energy intensive. However, adequate measures have been initiated for conservation of energy.
- b) **The steps taken by the Company for utilizing alternate source of energy** – Company shall consider on adoption of alternate source of energy as and when necessities.
- c) **The Capital Investment on energy conservation equipment** – No Capital Investment yet.

ii. Technology absorption

- a) **The efforts made towards technology absorption.** – Minimum technology required for Business is absorbed.
- b) **The benefits derived like product improvement, cost reduction, product development or import substitution** – Not Applicable.
- c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)** – Not Applicable.
 - a. the details of technology imported;
 - b. the year of import;
 - c. whether the technology been fully absorbed;
 - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

iii. The expenditure incurred on Research and Development – Not Applicable.

19. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:

Particulars of loans given, investments made, guarantees given and securities provided are provided in the financial statements.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Thus Disclosure in form AOC-2 is not required. Further, during the year, the Company had not entered into any contract / arrangement /transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All related party transactions are placed before the Audit Committee and Board for review and approval, if required. The details of the related party transactions as required under Indian Accounting Standard (Ind AS) 110 are set out in Note to the financial statements forming part of this Annual Report.

21. DEPOSITS:

Your Company did not accept / hold any deposits from public / shareholders during the year under review.

22. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

23. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company has framed and adopted the policy for Prevention of Sexual Harassment at Workplace. Company was not in receipt of any complaint of sexual harassment.

24. HUMAN RESOURCES:

Your Company considers people as its biggest assets and ‘Believing in People’ is at the heart of its human resource strategy. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong and credible leadership.

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts it is ensuring that employees are aligned on common objectives and have the right information on business evolution. Your Company strongly believes in fostering a culture of trust and mutual respect in all its employees seek to ensure that business world values and principles are understood by all and are the reference point in all people matters.

Statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“Rules”), is annexed as “Annexure V”.

The current workforce breakdown structure has a good mix of employees at all levels. Your Board confirms that the remuneration is as per the remuneration policy of the Company.

25. CORPORATE GOVERNANCE:

Pursuant to SEBI (LODR) Regulations, 2015, the report on Corporate Governance during the period under review with the Certificate issued by M/s JNG and Co., Practicing Company Secretaries, on compliance in this regards forms part of this Annual Report.

26. DIRECTORS’ RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.

- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

27. CAUTIONARY STATEMENTS:

Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

28. ACKNOWLEDGEMENTS:

Your Directors would like to express deep sense of appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders and for the devoted service by the Executives, staff and workers of the Company. The Directors express their gratitude towards each one of them.

Registered Office:

102, Ganga Chambers,
6A/1, W.E.A., Karol Bagh,
New Delhi – 110 0051

Tel : 022 – 6216 6999

Fax: 022 – 2263 0434

CIN: L74899DL1994PLC059009

Website: <http://www.afsl.co.in>

Email: info@afsl.co.in

By Order Of The Board Of Directors
FOR ARYAMAN FINANCIAL SERVICES LIMITED

Sd/-

Shripal Shah

DIN: 01628855

(Chairman & Executive Director)
Mumbai, Saturday, August 31, 2019

Annexures to Board's Report (Contd).
Annexure – I
FORM NO. MGT-9
Extract of Annual return as on financial year ended on 31.03.2019
(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)
I. REGISTRATION & OTHER DETAILS:

i	CIN	L74899DL1994PLC059009
ii	Registration Date	May 11, 1994
iii	Name of the Company	Aryaman Financial Services Limited
iv	Category/Sub-category of the Company	Public Company / Company Limited by Shares
v	Address of the Registered office & contact details	102, Ganga Chambers, 6a/1, W.E.A, Karol Bagh, New Delhi, Delhi -110 005 Tel. No. : 022 -6216 6999 E-Mail id: info@afsl.co.in
vi	Whether listed company	Yes (BSE Ltd)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Adroit Corporate Services Pvt. Ltd. 19/20, Jafferboy Industrial Estate 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059 Tel. No. : 022 – 4227 0423 E-Mail id: sandeeph@adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name & Description of main products/services	NIC Code of the Product / Service	% to total turnover of the company
1	Income from Merchant Banking Fees	6612	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding or Subsidiary or Associate	% OF SHARE S HELD	APPLICABLE SECTION
1	Mahshri Enterprises Private Limited	2, Neel Sagar, A.G. Khan Road, Worli, Mumbai – 400 018	U74140MH2006PTC165813	Holding	60.63%	Section 2(41)
2	Aryaman Capital Markets Limited	60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg,	L65999MH2008PLC184939	Subsidiary	74.28%	Section 2(87)
3	Escorp Asset Management Limited	Fort, Mumbai – 400 001	L17121MH2011PLC213451	Subsidiary	52.47%	Section 2(87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY);

(i) CATEGORY-WISE SHARE HOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year (%)
	Demat	Physical	Total	Total (%)	Demat	Physical	Total	Total (%)	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,80,000	-	1,80,000	1.54	1,80,000	-	1,80,000	1.54	-
b) Central or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	70,83,030	-	70,83,030	60.63	70,83,030	-	70,83,030	60.63	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total:(A) (1)	72,63,030		72,63,030	62.17	72,63,030		72,63,030	62.17	-
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)									
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	72,63,030		72,63,030	62.17	72,63,030		72,63,030	62.17	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	800	800	0.01	-	800	800	0.01	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):		800	800	0.01		800	800	0.01	-
(2) Non Institutions									
a) Bodies corporate									
ai) Indian	14,57,428	3,000	14,60,428	12.50	16,12,985	3,000	16,15,985	13.83	1.33
aii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 Lacs	1,95,166	2,21,533	4,16,699	3.57	1,77,474	2,08,862	3,86,336	3.31	(0.26)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 Lacs	23,79,126	1,59,400	25,38,526	21.73	22,85,015	1,28,800	24,13,815	20.66	(1.07)
c) Others (specify)									
c-1) Non Resident Indians (Individuals)	2,034	-	2,034	0.02	2,034	-	2,034	0.02	-
c-2) Clearing Member	483	-	483	-	-	-	-	-	-
SUB TOTAL (B)(2):	40,34,237	3,83,933	44,18,170	37.82	40,77,508	3,40,662	44,18,170	37.82	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	40,34,237	3,84,733	44,18,970	37.83	40,77,508	3,41,462	44,18,970	37.83	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1,12,97,267	3,84,733	1,16,82,000	100	1,13,40,538	3,41,462	1,16,82,000	100	-

(ii) SHAREHOLDING OF PROMOTERS:

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mahshri Enterprises Pvt Ltd	70,83,030	60.63	-	70,83,030	60.63	-	-
2	Shripal Shah	90,000	0.77	-	90,000	0.77	-	-
3	Shreyas Shah	90,000	0.77	-	90,000	0.77	-	-
	Total	72,63,030	62.17	-	72,63,030	62.17	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING:

Sr. No.	Name	At the beginning of the year / End of the year		Date of changes of shareholding	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		Number of Shares	%				Number of Shares	%
1	Mahshri Enterprises Pvt Ltd	70,83,030	60.63	01/04/2018	-	-	70,83,030	60.63
		70,83,030	60.63	31/03/2019	-	-	70,83,030	60.63
2	Shripal Shah	90,000	0.77	01/04/2018	-	-	90,000	0.77
		90,000	0.77	31/03/2019	-	-	90,000	0.77
3	Shreyas Shah	90,000	0.77	01/04/2018	-	-	90,000	0.77
		90,000	0.77	31/03/2019	-	-	90,000	0.77

(IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS):

Sr. No.	Name of Shareholder's	Changes	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Ravindra Media Ventures	At the beginning of the year	01/04/2018	3,23,975	2.77	3,23,975	2.77
		Date wise Increase / Decrease in Share holding during the year	22/06/2018	90,500	0.77	4,14,475	3.55
		At the End of the year	31/03/2019	0	0	4,14,475	3.55
2	Babulal Vadilal Shah	At the beginning of the	01/04/2018	3,02,000	2.59	3,02,000	2.59

Sr. No.	Name of Shareholder's	Changes	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
		year					
		Date wise Increase / Decrease in Share holding during the year	22/06/2018	(62,500)	0.54	2,39,500	2.05
			29/06/2018	(2,39,500)	2.05	0	0
		At the End of the year	31/03/2019	0	0	0	0
3	Tia Enterprises Pvt Ltd	At the beginning of the year	01/04/2018	1,90,812	1.63	1,90,812	1.63
		Date wise Increase / Decrease in Share holding during the year	15/03/2019	47,000	0.40	2,37,812	2.04
		At the End of the year	31/03/2019	0	0	2,37,812	2.04
4	Shri Parasram Holdinds Pvt Ltd	At the beginning of the year	01/04/2018	2,26,450	1.94	2,26,450	1.94
		Date wise Increase / Decrease in Share holding during the year	29/06/2018	(1,96,379)	1.68	30,071	0.26
			06/07/2018	(71)	0	30,000	0.26
			24/08/2018	2	0	30,002	0.26
			31/08/2018	(2)	0	30,000	0.26
			28/09/2018	5	0	30,005	0.26
			05/10/2018	(4)	0	30,001	0.26
			12/10/2018	(1)	0	30,000	0.26
			22/02/2018	38,700	0.33	68,700	0.59
		15/03/2019	45,000	0.39	1,13,700	0.97	
At the End of the year	31/03/2019	0	0	1,13,700	0.97		
5	Jhaveri Trading and Investment Pvt Ltd	At the beginning of the year	01/04/2018	34,000	0.29	34,000	0.29
		Date wise Increase / Decrease in Share holding during the year	22/06/2018	42,000	0.36	76,000	0.65
			31/08/2018	1,35,000	1.16	2,11,000	1.81
		At the End of the year	31/03/2019	0	0	2,11,000	1.81
6	Harsha Rajesh Jhaveri	At the beginning of the year	01/04/2018	1,91,000	1.63	1,91,000	1.63
		Date wise Increase / Decrease in Share holding during the year		Nil	Nil		
		At the End of the year	31/03/2019	0	0	1,91,000	1.63
7	India Finsec Ltd	At the beginning of the year	01/04/2018	1,74,000	1.49	1,74,000	1.49
		Date wise Increase / Decrease in Share holding during the year		Nil	Nil		
		At the End of the year	31/03/2019	0	0	1,74,000	1.49
8	Ambitious Associates Pvt Ltd	At the beginning of the year	01/04/2018	1,61,000	1.38	1,61,000	1.38
		Date wise Increase / Decrease in Share holding		Nil	Nil		

Sr. No.	Name of Shareholder's	Changes	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
		during the year					
		At the End of the year	31/03/2019	0	0	1,61,000	1.38
9	Vipul Haridas Thakkar	At the beginning of the year	01/04/2018	1,50,000	1.28	1,50,000	1.28
		Date wise Increase / Decrease in Share holding during the year		Nil	Nil		
		At the End of the year	31/03/2019	0	0	1,50,000	1.28
10	Gopal Bansal	At the beginning of the year	01/04/2018	1,50,000	1.28	1,50,000	1.28
		Date wise Increase / Decrease in Share holding during the year		Nil	Nil		
		At the End of the year	31/03/2019	0	0	1,50,000	1.28
11	White Diamand Media & Advertisements PRI	At the beginning of the year	01/04/2018	-	-	-	-
		Date wise Increase / Decrease in Share holding during the year	01/02/2019	1,40,000	1.20	1,40,000	1.20
		At the End of the year	31/03/2019	0	0	1,40,000	1.20
12	Vishal Sharma	At the beginning of the year	01/04/2018	1,28,650	1.10	1,28,650	1.10
		Date wise Increase / Decrease in Share holding during the year		Nil	Nil		
		At the End of the year	31/03/2019	0	0	1,28,650	1.10

Note: % means % of total shares of the company

(V) SHAREHOLDING OF DIRECTORS & KMP:

Sr. No.	Name	At the beginning of the year / End of the year		Date of changes of shareholding	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		Number of Shares	%				Number of Shares	%
1	Shripal Shah	90,000	0.77	01/04/2018	-	-	90,000	0.77
		90,000	0.77	31/03/2019	-	-	90,000	0.77
2	Shreyas Shah	90,000	0.77	01/04/2018	-	-	90,000	0.77
		90,000	0.77	31/03/2019	-	-	90,000	0.77
3	Ram Gaud	260	-	01/04/2018	-	-	260	-
		260	-	31/03/2019	-	-	260	-

V. INDEBTEDNESS:

(A) CONSOLIDATED INDEBTEDNESS:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26.09	-	67.86	93.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	26.09	-	-	26.09
Change in Indebtedness during the financial year				
Additions	10.08	-	46.15	56.23
Reduction	5.12	-	68.09	73.21
Net Change	4.96	-	(21.94)	(16.98)
Indebtedness at the end of the financial year				
i) Principal Amount	31.04	-	-	31.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	31.04	-	45.92	76.97

(B) STANDALONE INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26.09	-	39.92	66.01
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	26.09	-	-	26.09
Change in Indebtedness during the financial year				
Additions	10.08	-	35.91	45.99
Reduction	5.12	-	53.12	58.24
Net Change	4.96	-	17.21	22.17
Indebtedness at the end of the financial year				
i) Principal Amount	31.04	-	-	31.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	31.04	-	22.71	53.75

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(In ₹)

Sr. No	Particulars of Remuneration	Mr. Shripal Shah (Whole Time Director)	Mr. Shreyas Shah (Whole Time Director)	Total Amount
1	Gross salary*	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	18,00,000	9,00,000	27,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	
2	Stock option	-	-	
3	Sweat Equity	-	-	
4	Commission as % of profit others (specify)	-	-	
5	Others, please specify	-	-	
	Total (A)	18,00,000	9,00,000	27,00,000

B. Remuneration to other directors:

(In ₹)

Sr. No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Mr. Ram Gaud	Mr. Darshit Parikh	Mrs. Tejal Vala (Resigned w.e.f 05.11.2018)	Mr. Abhinav Anand (Appointed from 14.11.2018)	
	(a) Fee for attending board /committee meetings	44,000	40,000	4,000	8,000	96,000
	(b) Commission	-	-	-	-	
	(c) Others, please specify	-	-	-	-	
	Total (1)	44,000	40,000	4,000	8,000	96,000
2	Other Non Executive Directors					
	(a) Fee for attending board committee meetings	-	-	-	-	
	(b) Commission	-	-	-	-	
	(c) Others please specify.	-	-	-	-	
	Total (2)	-	-	-	-	
3	Total (B)=(1+2)	44,000	40,000	4,000	8,000	96,000
	Total Managerial Remuneration					27,96,000
	Overall Ceiling as per the Act.	The total managerial remuneration is within the ceilings prescribed.				

C. Remuneration To Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director:

(In ₹)

Sr. No.	Particulars of Remuneration	Shripal Shah (CFO)	Deepesh Jain (CS) [01/04/2018-31/12/2018]	Gunjan Kataruka(CS) [01/01/2019-31/03/2019]	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	18,00,000	8,80,086	1,59,000	28,39,086
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (1+2+3+4+5)	18,00,000	8,80,086	1,59,000	28,39,086

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexures to Board's Report (Contd).

Annexure – II

Form No. MR-3

Secretarial Audit Report for the Financial Year ended March 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Aryaman Financial Services Limited
102, Ganga Chambers,
6A/1, W.E.A., Karol Bagh,
New Delhi – 110055

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aryaman Financial Services Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure I for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

(vi) Other laws as applicable specifically to the company as informed by the management that Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Executive Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board and committee meetings are carried out unanimously as recorded in the minutes of the meeting of the board of directors or committees thereof as the case may be. There were no dissenting views of any member of the Board or committees thereof during the period under review.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For JNG & Co.,

Sd/-
Jigarkumar Gandhi
FCS: 7569
C.P. No. 8108

Place: Mumbai

Date: August 31, 2019

Note: This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

Annexure - I

List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and various committees comprising of Audit Committee, Nomination & Remuneration Committee etc. held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the period under report.
8. Intimations received from directors under the prohibition of Insider Trading and SEBI Takeover Code
9. Various policies framed by the company from time to time as required under the statutes applicable to the company.
10. Processes and procedure followed for Compliance Management System for applicable laws to the Company
11. Communications / Letters issued to and acknowledgements received from the Independent directors for their appointment
12. Various policies framed by the company from time to time as required under the Companies Act as well as listing agreement/SEBI LODR Regulations.

Annexure -II

To,
The Members,
Aryaman Financial Services Limited
102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi – 110055

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for our opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management and my examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For JNG & Co.,

Sd/-
Jigarkumar Gandhi
FCS: 7569
C.P. No. 8108

Place: Mumbai
Date: August 31, 2019

Annexure's to Board's Report (Contd).

Annexure – III

Remuneration Policy

This Remuneration Policy relating to remuneration for the directors, key managerial personnel and other employees, has been formulated by the Nomination and Remuneration Committee (hereinafter “Committee”) and approved by the Board of Directors.

Objectives:

The objectives of this policy are to stipulate criteria for:

- Appointment, reappointment, removal of Directors, KMPs and Senior Management
- Determining qualifications, positive attributes and independence of a director and recommend to the Board
- Retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully
- Consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth

Criteria for Appointment:

- Ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment
- Age, number of years of service, specialized expertise and period of employment or association with the Company
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area
- Constructive and active participation in the affairs of the Company
- Exercising the responsibilities in a bonafide manner in the interest of the Company
- Sufficient devotion of time to the assigned tasks
- Diversity of the Board
- Demonstrable leadership qualities and interpersonal communication skills, devote to the role, compliant with the rules, policies and values of the Company and does not have any conflicts of interest
- Transparent, unbiased and impartial and in accordance with appropriate levels of confidentiality.
- Appointment of Directors and KMPs in compliance with the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force

Criteria for Remuneration:

The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasizing on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results.

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The remuneration of the Non-Executive Directors shall be based on their contributions and current trends, subject to regulatory limits. Sitting fees is paid for attending each meeting(s) of the Board and Committees thereof. Additionally equal amount of commission may be paid to Non executive directors on a pro-rata basis, within limits approved by shareholders.

Annexures to Board's Report (Contd).

Annexure – IV

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries:

(Rs. in Lacs)

Sr. No.	Name of the subsidiary	1	2
		Aryaman Capital Markets Limited	Escorp Asset Management Limited
1.	The date since when subsidiary was acquired	22 nd July 2008	31 st May 2016
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
4.	Share capital	1197.71	667.00
5.	Other Equity	761.32	873.44
6.	Total assets	5205.66	1572.53
7.	Total Liabilities	3246.61	32.09
8.	Investments	1259.22	1525.54
9.	Turnover	7786.26	24.70
10.	Profit before taxation	28.78	(7.82)
11.	Provision for taxation	7.03	(0.24)
12.	Profit after taxation	21.75	(7.59)
13.	Proposed Dividend	Nil	Nil
14.	Extent of shareholding (In percentage)	74.28%	52.47%

Part "B": Associates and Joint Ventures: - Not Applicable

Annexures to Board's Report (Contd).

Annexure – V

Disclosure pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Designation/ Nature of Duties	Remuneration For FY 2018-19 (Rs. in Lacs)	Qualification	Ratio of Remuneration of each Director/KMP to median remuneration of employees	Comparison of remuneration of the KMP against the performance of the company
1	Shripal Shah	Whole Time Director & CFO	18	BMS, CFA	3.75	The revenue of the Company decreased by 26.03% and the profit of the Company decreased by 45.99%
2	Shreyas Shah	Whole Time Director	9	BMS, Gen. L.L.B.	1.87	
3	Gunjan Kataruka	Company Secretary	1.59	C.S.	1.32	

Notes:

- The median remuneration of employees of the Company during the financial year was Rs. 4.80 lacs
- The revenue of the Company decreased by 26.03% and the profit of the Company decreased by 45.99%
- There is decrease in median remuneration of employees from 61.87% to 43.19%; as compared to previous financial year.
- The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendation of the Human Resources, Nomination and Remuneration Committee as per remuneration policy for Directors, Key Managerial Personnel and other employees.
- The ratio of the remuneration of the highest paid director to that of the employees who are not directors and KMPs but receive remuneration in excess of the highest paid director during the year- Not applicable
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

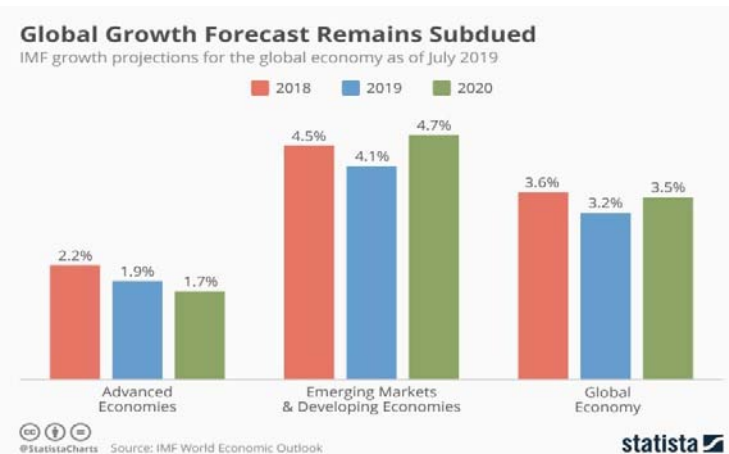
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MACRO REVIEW:

❖ Global:

Global economic growth accelerated in 2017 and continued to do so until the first half of 2018, with almost all countries picking up the growth trend. The growth rates of most of the developed countries rose close to their potential with unemployment falling to historical lows. In 2018, the global economy registered 3.6 per cent growth as against 3.8 per cent in 2017. Going ahead, global growth is projected to decline to 3.3 per cent in 2019 due to the waning effect of the US fiscal stimulus, uncertainty around Brexit and the unpredictability of the US-China trade war. On the positive side, the second half of 2019 is expected to see a stabilisation in growth with the hope that the central banks across the world might opt out of their tightening stance. Even China is continuously ramping up its fiscal and monetary stimulus to counter the negative effect of trade tariffs. The overall impact will positively stimulate growth factors across the world, leading to a gradual recovery in growth to 3.6 per cent for the global GDP, in 2020.

Global growth projection



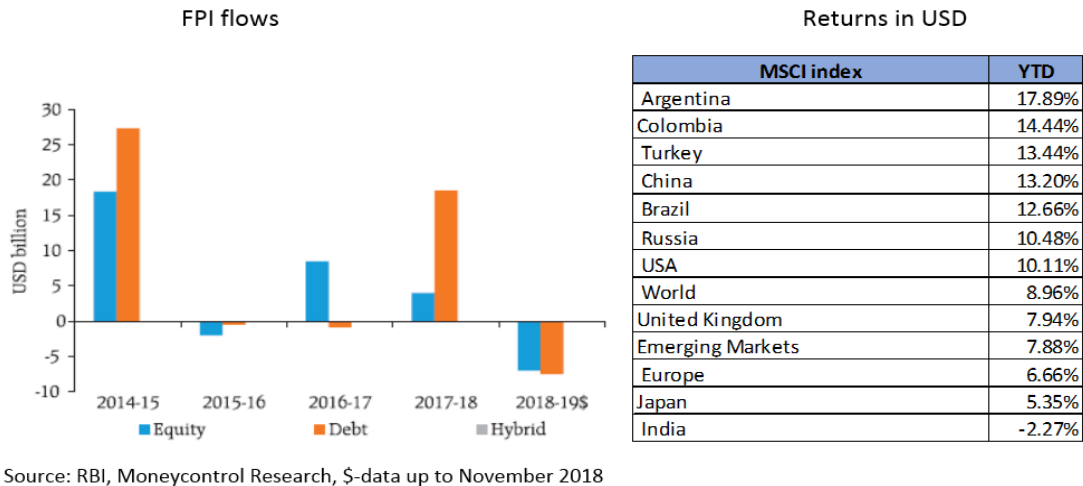
❖ India :

India is one of the 'fastest-growing economy' in the world. Now, along with that, the stable Government for a second time, is likely to be the perfect recipe for stronger reforms. The focus of the Government in FY20 will be to expedite reforms with a view to accelerate growth. As per the World Bank Report, India's ranking in terms of 'Ease of Doing Business' has reached the 77th spot, improving by 23 positions, as compared to the previous year. The country grew at 6.8 per cent in FY19, a deceleration from 7.2 per cent in the previous year, due to challenges from the NBFC liquidity crisis, rupee depreciation, commodity price volatility, rural stress, and weak private investment activity. High-frequency indicators point towards a continued slowdown in private consumption activity in Q1FY20 along with low Government spending on account of election overhang. The Government is likely to smoothen already implemented reforms such as GST, and the Insolvency and Bankruptcy Code (IBC) to largely contribute towards easing the tightness in liquidity. In addition, controlled inflation has further provided room for monetary easing. Growth prospects look brighter from the H2FY20 owing to higher Government spending on infrastructure, tepid recovery expected in consumption activity once the NBFC crisis is resolved and on a favourable base.

❖ Indian equity market performance in 2018-19:

FY2018 was a year of robust returns for equities especially for mid and small capitalisation stocks. The major stock indices touched an all-time high during the year but were trimmed owing to volatility towards the end of the year.

Strong FY2018 base year was followed by a challenging FY2019. It was a year of risk aversion in Indian equities wherein the mid and small cap stocks underperformed the NIFTY50 by 17.6% and 29.3% respectively. The rally in the large caps was one of the narrowest seen in the history of Indian equity markets. Mid and small capitalisation stocks underperformed, due to risk aversion emanating from high relative valuations and FPI outflows. Liquidity issues in the NBFC sector adversely impacted the flows into financial markets and the performance of the equity market in particular. While DIIs were net buyers of US\$10.3bn of equities, FIIs bought US\$1.5bn. FII buying saw a reversal in the last quarter of FY2019, as FIIs bought equities worth US\$8.2bn. Funds raised through equity slowed down substantially during the year resulting in ~70% decline in equity fund raising.



COMPANY OVERVIEW:

Aryaman Financial Services Limited is a merchant banker. The Company is engaged in the business of lead management and syndication of small and medium sized initial public offerings (IPO's), follow on public offer (FPO's), rights issues, composite issues, qualified institutional placement (QIP's), private investment in public equity (PIPE) deals, venture capital (VC) funding and other forms of fund raising. The Company's principal products/services include income from merchant banking fees. It also acts as lead manager to mergers and acquisitions (M&A) transactions, open offers, delisting offers and buybacks, among others. The Company provides valuation and advisory services for foreign investments, employee stock options plan (ESOP) certifications, fairness opinions of amalgamation schemes, mergers and spin-off transactions, among others. The Company, through its subsidiary and group companies, provides stock and commodity broking services.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Your Company is SEBI registered Category I Merchant Banker. Company mainly participates into SME Segment of Primary market issues. SME Platform offers an entrepreneur and investor friendly environment, which enables the listing of SMEs from the unorganized sector scattered throughout India, into a regulated and organized sector. The platform provides opportunity to SME entrepreneurs to raise equity capital for growth and expansion. It also provides immense opportunity for investors to identify and invest in good SMEs at an early stage.

REVIEW OF OPERATIONS:

During F.Y. 2018-19, Company has earned a total income of ₹ 865.58 Lacs compared to previous year's ₹ 1,090.88 Lacs. Company came out with 13 IPO's on SME Platform in F.Y. 2018-19 as compared to 16 IPO's in F.Y. 2017-18

Net profit after tax has decreased from ₹ 241.04 Lacs to ₹ 165.11 Lacs. Consequently, EPS decreased to ₹ 1.41 from ₹ 2.01. Subdued market conditions have led to lack of growth top-line and bottom line.

Further there has been a similar lack of growth in financial performance of the subsidiary; Aryaman Capital Markets Limited and Escorp Asset Management Limited. However, considering extremely difficult market conditions it is commendable that these subsidiaries have not incurred any substantial losses.

OPPORTUNITIES AND BUSINESS OUTLOOK:

❖ OPPURTUNITIES:

Our businesses are expected to benefit from the structural shift in the financial savings environment as well as improving technology infrastructure of India. Some of the broad macro trends which underline the opportunities facing our businesses are:

- India is expected to be a high growth economy in the medium to longer term which coupled with an expectation of recovery in economic growth at global level augurs well for the capital markets in India
- India has been and is expected to continue to be a high savings economy. The young working population is expected to increasingly channelise a higher share of a growing pie of their savings into financial assets. Increasingly the preference of retail investors to participate in equity as an asset class coupled with the relative under penetration in terms of both market capitalisation to GDP ratio or ratio of investments in shares and debentures to GDP signify a positive outlook for equity-based businesses in India.
- Increase in overall economic activity, scaling up of domestic corporate institutions and professionalisation of promoter driven set-up would continue to fuel demand for capital raising and advisory services
- Advances in technology, increasing smartphone penetration and increasing digitisation at systemic level are expected to propel more retail consumers to adopt and consumer financial services through electronic media

Our businesses being primarily driven by need for financial products and services of our retail and institutional clients expect to benefit from the emerging macro trends. The role of technology coupled with customer centricity through timely and effective advisory remains the key for growth ahead.

Digital transformation: Fintech is the new buzzword in the financial services industry. It is an amalgamation and application of technology in the financial services industry. Global investments in fintech companies have been picking up in the recent past. With big developments, ranging from the rise of open banking, increasing regulatory clarity and maturation of Artificial Intelligence (AI) and blockchain, 2019 promises to be another big year for Fintech. India has witnessed a dramatic surge in its technological growth and the adoption in recent years. The traditional financial services industry is inherently online, time consuming, manual, inaccessible and cost-heavy. This is primarily because of the dependency on human capital for every process in the funnel. However, the integration of technology at each step of the process has brought in the change from manual to machine-driven decision making. Seeing this as an opportunity, we are making serious efforts to improve technological infrastructure and offer our product and services through cutting-edge digital solutions.

❖ THREATS:

Liquidity deficit and rise in interest rates can cause uncertainty in the market, leading to outflow of funds from FIIs and DIIs. Besides, factors such as global uncertainties, geo-political tensions, and uneven economic growth may tend to weaken market sentiment, leading to a slowdown in the investment appetite.

Customers today have a wide range of choices to select their investment advisory partner. They evaluate them on their expertise, fund utilisation strategies, digital support and fee structure. With the emergence of discount brokerage, customers are experiencing the next level of artificial automation with 'do it yourself' functionalities which are easy to use and low on cost. While the opportunities landscape is promising, following threats could dampen the growth of financial services sector in india.

- a) Slower than expected recovery of macro-economy, domestically as well as globally or a prolonged trade and tariff war between the US and China can impact growth
- b) Increase in oil prices on the back of US sanctions against Iran or delay in revival of capex cycle can also impede growth

- c) If the current tight liquidity situation does not normalize soon, it could affect the natural growth of the sector
- d) Any adverse changes in the regulatory and policy environment in which Aryaman and its subsidiaries operates could adversely affect the business and financial condition.
- e) Short term economic slowdown impacting investor sentiments and business activities

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company's internal control systems are adequate, operating effectively and commensurate with the size of business. These internal control systems are provided through competent management, implementation of standard policies and processes, maintenance of an appropriate audit programme with an internal control environment, effective risk monitoring and management information systems. Moreover, the Company continuously upgrades these systems in line with the best available practices.

The internal control systems are supplemented by extensive internal audits, regular reviews by the Management and standard policies and guidelines to ensure the reliability of financial and all other records to prepare financial statements and other data. The Management Information System (MIS) forms an integral part of the Company's control mechanism. The Company has regular checks and procedures through internal audits conducted by an independent audit firm, periodically. The reports are deliberated and an executive summary of the same along with Action Taken Reports (ATR) and steps taken by the Management to address the issues, are placed before the Audit Committee meeting/ Board meeting for their review. Reports of internal auditors are reviewed by the Audit Committee, and corrective measures, if any, are carried out towards further improvement in systems and procedures in compliance with Internal Control Systems. The Board also recognises the work of the auditors as an independent check on the information received from the Management on the operations and performance of the Company.

FUTURE OUTLOOK:

NDA winning the 'historic mandate' for another five years is a reaffirmation of the inclusive growth policies followed by the Government in the previous five years. This victory will embolden the Government to continue in the same vein to complete the unfinished agenda and also to fine-tune the earlier policies for better results. Resilient landmark reforms are expected in Modi 2.0, specifically aimed at infrastructure development, financial inclusion, doubling farmers' income, job creation, smoothening out the glitches in earlier reforms, and evading & benefitting from the US-China trade war.

We believe that FY20 will largely be driven by Government spending with more concentration towards infrastructure and moderate focus on consumption, leading to overall growth of sub-7 per cent. Based on the earlier track record, we believe that the spending mix will tilt towards creating basic infrastructure for poor/rural areas, rather than just increasing cash transfers. Inflation should remain benign, making the RBI comfortable to reduce the rates further. Jitters from the US

President Donald Trump's tweets might send the global markets into a frenzy. But isolating this, we might see Governments, the world over, taking significant efforts to revive domestic growth.

Aryaman financial services limited is well-positioned with its team, experience and products, to grow exponentially across various verticals of institutional and non-institutional broking, investment banking, asset management and wealth management. All these verticals are led by seasoned professionals and manned by motivated personnel, who will, by offering differentiated solutions to their clients, help the clients achieve their objectives and also simultaneously grow the revenues and bottom line of Emkay manifold

RISKS AND CONCERN:

As the Company's performance is dependent on capital markets, it faces the risk of downturn in the economic growth and/or worsening macro-economic environment. Rising crude oil prices, depreciating currency, worsening current account deficit and a slowdown in foreign investment inflows pose risks to the Company. Rising inflation, a bad monsoon, slowdown in corporate earnings, rising NPAs also pose significant risks. Other challenges which may drive away the DIIs include rising real estate and gold prices, which may provide other attractive investment options

Global events may also pose challenges to the growth of the Company as it directly impacts foreign inflows and indirectly will have a bearing on the Indian economy. Risks from geo-political tensions, global financial market volatility led by rise in interest rates and the threat of trade protectionism all pose significant risks to the operations of the Company.

The Company faces significant competition from companies seeking to attract its customers/clients financial assets. In particular, it competes with other Indian and foreign brokerage houses, discount brokerage companies, investment banks, public and private sector commercial banks and asset managers, among others, operating in the markets in which it is present. The Company competes on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation, price and convenience. The Company also faces threats from the tightening and the ever-evolving regulatory framework and any unfavourable policy changes like introduction of long term capital gains tax. Internal threat to the Company arises from failure of compliance or overlooking of any misrepresentations/fraud in the operations of the Company.

Our implementation of risk management at the operational level embraces the identification, analysis and assessment of all possible risks as provided below:

Risk	Concern	Response
Economic and political risk	Arising from changes in the macro-economic conditions like political instability, foreign exchange fluctuations and crude oil prices.	The Company has a dynamic business set up that allows itself to re-strategise and respond to the uncertainties.
Financial and market risk	Uncertainty in capital markets and negative investor sentiments may slow down the investments.	Diversified business offerings, strong research and experienced team ensure promptness and stable operations.
Competition risk	Loss of market share to existing players or new entrants.	Competition gets the best out of the Company. It makes all the efforts to offer undivided attention to its customers. Besides, strong digital infrastructure and risk management team further ensure steady flow of operations.
Regulatory and compliance risk	Regulatory risk arises due to dynamic changes in regulations that may significantly affect the business. Compliance risk arises due to the negligence in complying statutes, internal policies and best practices related to the business.	The Company has ensured transparent disclosures in meeting the regulatory norms. The experienced team is further capable of handling and fulfilling all regulatory norms.
Human resources risk	This risk arises due to low motivation, dissatisfaction or attrition of employees.	Using the human capital risk approach, the Company efficiently manages the working culture, declaring performance-based incentives, conducting induction and training programmes at regular intervals.

RISK MANAGEMENT:

The Company has established a comprehensive system for risk management and internal controls for all its businesses to manage the risks that it is exposed to. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks.

The Company has classified the key risks associated with its business into implied market risk, operational risk, information technology/cyber security risk, liquidity risk, credit risk and reputation risk. It has established various policies with respect to such risks which set forth limits, mitigation strategies and internal controls to be implemented by the three lines of defence approach provided below. These policies include a corporate risk and investment policy, a liquidity risk management policy, an operational risk management policy, an outsourcing policy, a fraud risk management policy, an information technology risk management policy, an information security management policy and a surveillance policy.

The Company is particularly sensitive to risks emanating from the introduction of new products and services. Before the launch of any new product or service, it is reviewed and approved by the corporate risk management group, compliance and operations groups and product and process approval committee that has been set up earlier. These groups and committee review the product/service through the lenses of regulatory compliance, risk management and integration with the existing risk management systems

The Board oversees the Company's risk management and has constituted a Risk Management Committee, which frames and reviews risk management processes and controls.

The risk management system features a 'three lines of defence' approach

- The first line of defence comprises its operational departments, which assume primary responsibility for their own risks and operate within the limits stipulated in various policies approved by the Board or by committees constituted by the Board.
- The second line of defence comprises specialised departments such as risk management and compliance. They employ specialised methods to identify and assess risks faced by the operational departments and provide them with specialised risk management tools and methods, facilitate and monitor the implementation of effective risk management practices, develop monitoring tools for risk management, internal control and compliance, report risk related information and promote the adoption of appropriate risk prevention measures.
- The third line of defence comprises the internal audit department and external audit functions. They monitor and conduct periodic evaluations of the Refer to the notes to the financial statements for the reconciliation of net-worth and profit under Indian GAAP and Ind AS for the year ended March 31, 2018.

HUMAN RESOURCES:

At Aryaman Financial Services Ltd, people are the key driving force behind the Company's success. They make us outperform. Respecting them, keeping them motivated and developing their skills and careers are essential if we are to be successful. We recognize and embrace the value that an engaged and motivated workforce can bring to an organisation. The Company stays committed to its principle of 'Your Success is our Success'. The work environment is not just supportive of high levels of performance, but also the one in which people can share and celebrate their success

Intellectual capital is one of the key resources of the Company to ensure business sustainability and growth. The Company has an experienced and talented pool of employees who play a key role in enhancing business efficiency, devising strategies, setting-up systems and evolving business as per industry requirements. The Company provides regular skill and personnel development training to enhance employee productivity. As part of group processes, the Company follows a robust leadership potential assessment and leadership development process. These processes identify and groom leaders for the future and also enable succession planning for critical positions in the Company.

Being a growth-oriented and progressive organisation, it recognises the importance of professionalism. The Company has embarked on several human resource initiatives to enhance the productivity of the organisation and each individual. The Company endeavours to provide a safe, conducive and productive work environment.

SAFE HARBOUR:

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED ON 31st MARCH 2019

I. Company Philosophy:

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. The Corporate Governance Code has also been incorporated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company endeavors not only to meet the statutory requirements in this regard but also to go well beyond them by instituting such systems and procedures as are in accordance with the latest global trends of making management completely transparent and institutionally sound.

Your Company believes in the concept of Good Corporate Governance involving transparency, empowerment, accountability and integrity with a view to enhance stakeholder's value. The Company has professionals on its Board of Directors who are actively involved in the deliberations of the Board on all important policy matters.

II. Board of Directors:

As on 31st March, 2019, the strength of the Board was Six Directors. The Board comprised of Two Executive Director and Four Non-Executive Directors. The Chairman of the Board is an Executive Director.

Name of Director	Category	Number of Board Meetings		No. of Directorship(s) held in Other Indian Public Limited Companies	Committee(s) position*		Attendance at the last AGM held on September 25, 2018
		Held	Attended		Member	Chairman	
Mr. Shripal Shah	Executive Director	6	6	2	4	-	Present
Mr. Shreyas Shah	Executive Director	6	6	3	1	-	Not Present
Mr. Ram Gaud	Independent Director	6	6	1	1	1	Not Present
Mr. Darshit Parikh	Independent Director	6	6	2	-	2	Present
Mrs. Tejal Vala	Independent Director	6	4	1	-	1	Not Present
Mr. Abhinav Anand	Independent Director	6	2	2	1	-	N.A
Mrs. Meloni Shah	Non Executive	6	1	-	-	-	N.A

* Only Audit Committee and Stakeholders' Relationship Committee, in other public limited companies, have been considered for the Committee position.

The Company held six meetings of its Board of Directors during the year on May 30, 2018, August 14, 2018, November 14, 2018, December 31, 2018 and February 04, 2019, February 14, 2019

Mr. Shripal Shah, Mr. Shreyas Shah and Mrs. Meloni Shah are related to each other.

III. Committees of the Board:

(a) Audit Committee

The Audit Committee, as per Section 177 of Companies Act, 2013, continued working under Chairmanship of Mr. Darshit Parikh. During the year, the committee met five times with full attendance of all the members. The composition of the Audit Committee as at March 31, 2019 and details of the Members participation at the Meetings of the Committee are as under

Name of Director	Category	Position in the committee	Attendance at the Audit Committee Meetings held on				
			30.05.2018	14.08.2018	14.11.2018	14.02.2019	27.02.2019
Mr. Darshit Parikh	Independent Director	Chairperson	Yes	Yes	Yes	Yes	Yes
Mr. Shripal Shah	Executive Director	Member	Yes	Yes	Yes	Yes	Yes
Mr. Ram Gaud	Independent Director	Member	Yes	Yes	Yes	Yes	Yes

The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible to be submitted to the Stock Exchanges, regulatory authorities or the public.
- Recommendation for appointment, remuneration and terms of appointment of statutory auditors of the Company;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Approval for all payments to the statutory auditors for any other services rendered by them;
- Reviewing with the Management, the Quarterly Unaudited Financial Statements and the Auditor's Limited Review Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the Financial Statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Reviewing, with the management, the audit annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement forming part of the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments, if any, made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of all related party transactions
 - g. Qualifications, if any, in the draft audit report
- Approval or any subsequent modification of transactions of the Company with its related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, stating and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors as is applicable;
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the IND AS.
- Review the investments made by the Company.
- Reviewing the functioning of whistle blower mechanism of the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Auditors, Internal Auditors, Chief Financial Officer are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee. Mr. Darshit Parikh, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on September 25, 2018.

(b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee, as per Section 178 of Companies Act, 2013, continued working under Chairmanship of Mr. Darshit Parikh. During the year, the committee met four times with full attendance of all the members. The composition of the Nomination and Remuneration Committee as at March 31, 2019 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Remuneration Committee held on			
			30.05.2018	14.08.2018	31.12.2018	04.02.2019
Mr. Darshit Parikh	Independent Director	Chairperson	Yes	Yes	Yes	Yes
Mr. Ram Gaud	Independent Director	Member	Yes	Yes	Yes	Yes
Mrs. Tejal Vala	Independent Director	Member	Yes	Yes	N.A	N.A
Mr. Abhinav Anand	Independent Director	Member	N.A	N.A	Yes	Yes

The terms of reference of the Committee inter alia, include the following:

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The Company has formulated a Remuneration Policy which is annexed to the Board's Report.

Board Evaluation:

The Board carried out formal annual evaluation of its own performance and that of its Committees viz., the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee (NRC). The Board also carried out the performance evaluation of all the individual directors including the Chairman of the Company. Additionally, NRC also carried out the evaluation of the performance of all the individual directors and Chairman of the Company. The performance evaluation was carried out by way of obtaining feedback from the Directors through a structured questionnaire prepared in accordance with the policy adopted by the Board and after taking into consideration the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India.

The structured questionnaire prepared to evaluate the performance of individual directors and the Chairman, inter alia, contained parameters such as professional conduct, roles and functions, discharge of duties and their contribution to Board/Committees/Senior Management. The questionnaire prepared for evaluation of the Board and its Committees, inter alia, covered various aspects such as structure and composition, effectiveness of board process, information and roles, responsibilities and functioning of the Board and its Committees, establishment and determination of responsibilities of Committees, the quality of relationship between the board and the management and professional development.

The feedback received from the Directors through the above questionnaire was reviewed by the Chairman of the Board and the Chairman of the NRC and then discussed the same at the meetings of the Board and NRC respectively. The performance evaluation of the Chairman, Managing Director and the Board as a whole was carried out by the Independent Directors at their separate meeting, who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

The details of such familiarisation programmes for Independent Directors are put up on the Company's website and can be accessed at <http://afsl.co.in/investor-relation.html>.

Remuneration of Directors:

Non-Executive Directors:

Non-Executive Director receive remuneration by way of sitting fees only. The details of sitting fees paid during FY 2018-2019 are given in MGT-9. Criteria of making payments to non-executive directors is available on www.afsl.co.in/investor-relation.html.

Executive Directors:

Details of remuneration paid to Executive Director during FY 2018-19 is provided in MGT-9.

Following is remuneration package details for Executive Directors:

Mr. Shripal Shah:

1. **Basic Salary:** Not exceeding ₹ 18,00,000/- (Rupees Eighteen Lacs only) per annum as may be decided by the Remuneration Committee and the Board of Directors from time to time.
2. **Perquisites:** shall be entitled for the following perquisites in addition of the salary mentioned herein above.
 - i. **Housing:** The Company shall provide unfurnished accommodation to Mr. Shah. If no accommodation is provided, House Rent Allowance not exceeding 50% of monthly basic salary or as per Rules of the company, whichever is more, shall be payable to him and he shall also be eligible for reimbursement of expenses / allowances for utilization of gas, electricity, water & the same shall be valued as per Income Tax Rule, 1962.

- ii. Medical Allowances including reimbursement, as per rules of the company, subject to a maximum of ₹ 15,000/- (Rupees Fifteen Thousand) per annum.
- iii. Free Telephone Facility at residence and use of Mobile phone for the business of the company.

3. **Other Benefits**

Mr. Shripal Shah shall also be eligible to the following benefits in addition to the above perquisites, which shall not be included in the computation of the ceiling on remuneration as specified hereinabove:

- i. Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

Mr. Shreyas Shah:

Salary:

- a. Fixed Pay not exceeding ₹ 9,00,000/-
- b. Variable Pay up to ₹ 18,00,000/-

- (a) Remuneration to Mr. Shreyas Shah shall be subject to leave and other personal policies of the Company from time to time.

(b) **Re-imbursment of Expenses:** the Company shall pay or reimburse to Mr. Shreyas Shah, reasonable and necessary business expenses as incurred by him, which are directly related to the performance of his duties of employment including travel, professional membership and professional development subject to documents submitted by Mr. Shreyas Shah.

4. All payments of remunerations to be made by the Company subject to this resolution shall be gross of tax and shall be subject to deduction of tax payable in accordance with the applicable law as may be from time to time.

Shareholding of Directors:

As at March 31, 2019, following is the shareholding of directors;

Sr. No.	Name of Director	No of Shares	% of Total Shares of the Company
1.	Mr. Shripal Shah	90,000	0.77
2.	Mr. Shreyas Shah	90,000	0.77
3.	Mr. Ram Gaud	260	-

(c) Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee, as per Section 178 (5) of Companies Act, 2013, continued working under Chairmanship of Mr. Darshit Parikh. During the year, the committee met three times with full attendance of all the members. The composition of the Stakeholders' Relationship Committee as at March 31, 2019 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Stakeholders' Relationship Committee held on		
			30.05.2018	22.09.2018	22.03.2019
Mr. Darshit Parikh	Independent Director	Chairperson	Yes	Yes	Yes
Mr. Shripal Shah	Executive Director	Member	Yes	Yes	Yes
Mrs. Tejal Vala	Independent Director	Member	Yes	Yes	N.A
Mr Abhinav Anand	Independent Director	Member	N.A	N.A	Yes

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

During the year, Two Complaint was received from shareholder on SCORES and was resolved successfully. There are no balance complaints. The Company had no share transfers pending as on March 31, 2019.

Ms. Gunjan Kataruka, Company Secretary of the Company is Compliance Officer.

IV. General Body Meetings:

Annual general meetings:

The date, time and venue of the last three Annual General Meetings are given below:

AGM	Year ended as on	Venue	Date	Time	Whether any Special Resolution passed or not
22 nd	31.03.2016	Indian Social Institute, 10, Institutional Area, Lodi Road, New Delhi, Delhi – 110 003	24.09.2016	12.00 P.M.	No
23 rd	31.03.2017		25.09.2017	9.00 A.M.	No
24 th	31.03.2018	Vihara Innovation Campus, D – 57, Chattarpur Enclave, 100ft. Road, new Delhi - 110074	25.09.2018	11.00 A.M	Yes

Extraordinary General Meeting or Postal Ballot:

The Company did not hold any Postal Ballot during the F.Y. 2018-19.

V. Means of Communication:

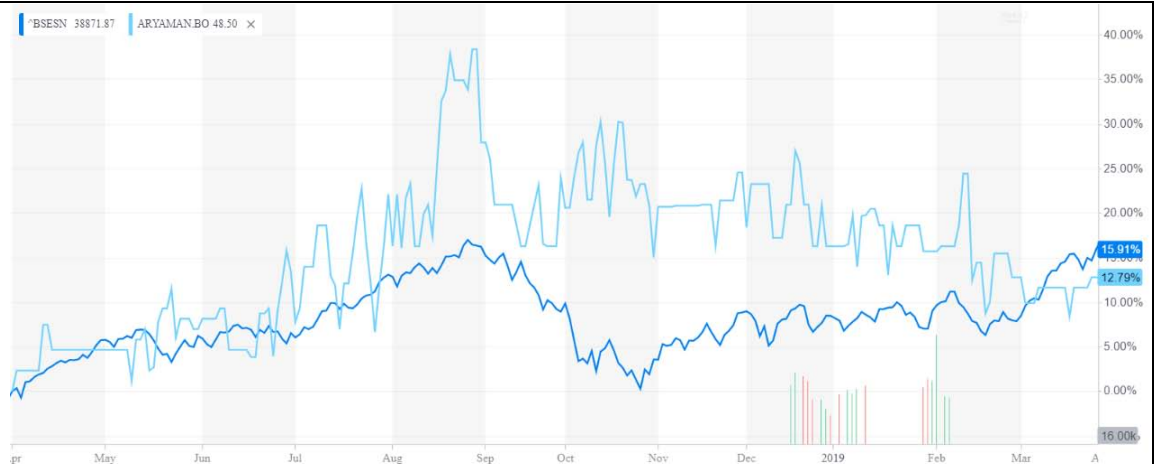
The Quarterly / Annual financial results sent to the Stock Exchanges and published in The Financial Express (English) and Jansatta (Hindi) in accordance with the Listing Regulations. The Quarterly / Annual results are also uploaded on the website

of the Company <http://afsl.co.in/investor-relation.html>. Communication to Shareholders via Newspaper is published in The Financial Express (English) and Jansatta (Hindi).

VI. General shareholder information:

AGM – Date, Time And Venue:	Wednesday, September 25, 2019, 10.00 A.M., and Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi – 110074			
Financial Year:	1 st April to 31 st March of following year			
Book Closure Date:	Thursday, September 19, 2019 to Wednesday, September 25, 2019			
ISIN:	INE032E01017			
Listing of Equity Shares on stock exchanges:	BSE Limited, P. J. Towers, Fort, Mumbai – 400 001			
Listing fees payment status:	The Company has paid the listing fees, to the Stock Exchanges for the financial year 2018-19			
Stock code:	530245			
Share Transfer System:	The Company’s shares are compulsorily traded in Demat mode on the BSE Limited. The transfer of Physical shares, if any, are processed and returned to the shareholders within a period of 15 days by the Registrar & Share Transfer Agent.			
Registrar & transfer agents:	Adroit Corporate Services Private Limited 19/20, Jafferboy Industrial Estate 1 st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai – 400 059 Tel. No. : 022 – 4227 0423 E-Mail id: sandeeph@adroitcorporate.com			
Market Price Data (Monthly):	Month	High Price	Low Price	No. of Shares Traded
	Apr-18	46.20	42.50	1,929
	May-18	47.95	41.35	7,117
	Jun - 18	50.20	43.70	3,43,587
	Jul-18	53.45	44.05	6,346
	Aug-18	63.00	46.80	1,55,292
	Sep-18	57.20	49.10	6,450
	Oct -18	56.00	49.45	6,619
	Nov-18	54.80	49.50	1,026
	Dec-18	54.60	50.00	2,166
	Jan-19	52.50	47.00	1,58,058
	Feb-19	54.00	46.75	1,64,192
	Mar-19	48.50	45.00	1,34,665

Performance in comparison to BSE Sensex:



Distribution of Shareholding:

Shareholding of Nominal Value of ₹10/- each	No. of shareholders	% of shareholders	Share Amount	% of shareholding
Up to 5,000	1534	88.93	15,35,730	1.31
5,001 to 10,000	61	3.54	4,93,410	0.42
10,001 to 20,000	32	1.86	4,97,850	0.43
20,001 to 30,000	16	0.93	3,76,030	0.32
30,001 to 40,000	7	0.41	2,58,500	0.22
40,001 to 50,000	7	0.41	3,14,510	0.27
50,001 to 1,00,000	8	0.46	5,65,650	0.48
1,00,001 and above	60	3.48	11,27,78,320	96.54
Total	1725	100.00	11,68,20,000	100.00

Dematerialization of Shares and Liquidity:

Particulars	No. of Shares	Percentage
Physical Segment	3,41,462	2.92
Demat Segment		
NSDL	24,11,904	20.65
CDSL	89,28,634	76.43
Total	1,16,82,000	100.00

Shareholding Pattern as March 31, 2019:

Particulars	No. of shares held	%
Promoters		
Individual	1,80,000	1.54
Body Corporate(s)	70,83,030	60.63
Non Promoters		
Individual / HUF	28,00,151	23.97
Body Corporate(s)	16,15,985	13.83
Bank / Financial Institutions	800	0.01
NRIs/Foreign Nationals	2,034	0.02
Clearing Member	-	-
Total	1,16,82,000	100.00

Details of shares lying in the suspense account:

Sr. No.	Particulars	No. of Shareholders	No. of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	Nil	Nil

	2.	Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	Nil	Nil
	3.	Number of shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
	4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	Nil	Nil
Address for correspondence:	Aryaman Financial Services Limited Ms. Gunjan Kataruka (Company Secretary) 60, Khatau Building, Ground. Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001 Tel : 022 – 6216 6999 Fax: 022 – 2263 0434			

VII. Disclosures:

- i. The Company did not have any material significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the audited financial statements.
- ii. The financial statements have been prepared in accordance with the Indian Accounting Standards (IND-AS).
- iii. There were no instances of non-compliance by the Company on any matter related to the capital markets, resulting in disciplinary action against the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority, during the last three years.
- iv. The Company has a vigil mechanism for employees to report concerns about unethical behavior, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee
- v. The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances.
- vi. Policy for determining ‘material’ subsidiaries and Policy on dealing with related party transactions is available on <http://afsl.co.in/investor-relation.html>.
- vii. The Company has complied with mandatory requirements specified from Regulations 17 to 27 and clauses (b) to (i) of sub –regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.
- viii. The CFO have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company’s affairs. The said certificate is annexed and forms part of the Annual Report.
- ix. Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a certificate from JNG & Co., Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance of the Listing Regulations forms part of this Report.

Declaration as required under Regulation 26 of SEBI (LODR) Regulations, 2015

In accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, I hereby confirm that for the financial year ended March 31, 2019, the Directors and Senior Management Personnel of the Company have affirmed compliance with the “AFSL - Code Of Conduct” for Directors and Senior Management Personnel.

For Aryaman Financial Services Limited

Sd/-
Shripal Shah
(Executive Director)
DIN: 01628855

Mumbai, Saturday, August 31, 2019

CERTIFICATION BY CFO UNDER REGULATION 17 (8) OF THE LISTING REGULATION

To
The Board of Directors,
Aryaman Financial Services Limited.

- (a) We have reviewed the financial statements and the cash flow statement of Aryaman Financial Services Ltd. for the year ended March 31, 2019 and to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Aryaman Financial Services Limited

Sd/-
Shripal Shah
(Chief Financial Officer)

Place: - Mumbai
Date: - May 29, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Aryaman Financial Services Limited for the year ended 31st March, 2019 as stipulated in Regulation 17 of the Listing Regulation of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For JNG & Co.,

Place: Mumbai
Date: August 31, 2019

Sd/-
Jigarkumar Gandhi
FCS: 7569
C.P. No. 8108

Independent Auditor's Report

To
 The members of
ARYAMAN FINANCIAL SERVICES LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ARYAMAN FINANCIAL SERVICES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereby referred as 'the financial statement').

In our opinion and to the best of our information and explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended and the other accounting principles generally accepted in India: -

- i. In case of the Balance Sheet, of the **state of affairs** of the Company as at 31st March, 2019;
- ii. In case of Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- iii. In case of Cash Flow Statement, of the **cash flows** for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described hereunder to be key audit matters to be communicated in our report.

Key audit matters	Auditor's response
<p><u>Measurement of Revenue</u></p> <p>As per new notified Ind AS 115, measurement of revenue to be made on transaction price.</p>	<p>Our audit procedure inter- alia included the following-</p> <ul style="list-style-type: none"> • We used assessment of overall control environment relevant for measurement of revenue. • We performed testing of journal entries, with

	particular focus on manual adjustment to revenue account, to mitigate the risk of manipulation of revenue and profit figures.
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Information other than the Standalone Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexure to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and the auditor’s report thereon.

Our opinion on the standalone financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the AS and the other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain a reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (ii) Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the financial statement may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and, (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the India Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact, if any of pending litigations on its financial position, in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

Sd/-
O.P. Pareek
Partner
Membership No. 014238
New Delhi, the 29th day of May 2019

“ANNEXURE A”

ANNEXURE REFERRED TO IN PARAGRAPH “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF “THE COMPANY” FOR THE YEAR ENDED 31ST MARCH, 2019

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

1.
 - a) As per information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per information and explanation given to us, all the fixed assets have been physically verified by the Management at the year end. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its fixed assets. There were no material discrepancies were noticed on such verification.
 - c) As per information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As per information and explanation given to us, Company does not hold any physical inventory, hence the provision of sub- clause (ii) of the clause 3 of the order not applicable;
3. As per information and explanation given to us, The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
4. As per information and explanation given to us, In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. As per information and explanation given to us, there were no deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.
6. As per information and explanation given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company’s products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.
7. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including income- tax, goods & service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, goods & service tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. As per information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to banks or financial institutions during the year. The Company has not taken any loans or borrowings from government and debenture holders during the year.

9. As per information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company. further the money raised by way of term loans were applied for the purpose for which obtained;
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and based on examination of records of the Company, managerial remuneration has been paid or provided for during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. As per information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with Section 177 and 188 of the Act.
14. As per information and explanation given to us, the Company has not made preferential allotment or private placement of shares during the year and has complied with the provisions of Section 42 of the Act.
15. As per information and explanation given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. As per information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

Signed for the purpose of identification

FOR V.N. PUROHIT & CO.
Chartered Accountants
Firm Regn. No. 304040E

Sd/-

O.P. Pareek

Partner

Membership No. 014238

New Delhi, the 29th day of May 2019

ANNEXURE - B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub- section (3) of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **ARYAMAN FINANCIAL SERVICES LIMITED** as on 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: -

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and could not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

Sd/-

O.P. Pareek

Partner

Membership No. 014238

New Delhi, the 29th day of May 2019

STANDALONE BALANCE SHEET

As at March 31, 2019

Particulars	Note	As at March 31, 2019	As at March 31, 2018
		INR Lacs	INR Lacs
ASSETS			
Financial Assets			
Cash and cash equivalents	2	3.99	2.76
Bank balances other than above	3	651.27	654.25
Receivables			
Trade receivables	4	9.77	5.71
Investments	5	1,347.03	1,375.84
Other financial assets	6	2.32	2.27
Non-Financial Assets			
Current tax assets(net)		51.00	27.38
Property, Plant and equipment	7	124.91	125.29
Other non financial Assets	8	288.05	305.61
TOTAL ASSETS		2,478.35	2,499.11
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables	9		
(I)Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		190.31	331.07
Borrowings (other than debt security)	10	25.14	21.37
Other Financial liabilities	11	25.46	44.00
Non-financial Liabilities			
Deferred tax liabilities (net)	12	1.20	7.59
Other non-financial liabilities	13	57.53	81.50
Equity			
Equity Share Capital	14	1,168.20	1,168.20
Other equity	15	1,010.50	845.39
TOTAL LIABILITIES AND EQUITY		2,478.35	2,499.12

The accompanying notes (Note No. 1 to 32) are integral part of the financial statements

In terms of our attached report of even date

For V.N. PUROHIT & CO.
Chartered Accountants
Firm Registration No. 304040E

For and on behalf of the Aryaman Financial Services Limited

Sd/-
O.P.Pareek
Partner
Membership No:516027
Place : Mumbai
Date: May 29, 2019

Sd/-
Shripal Shah
(Executive Director)
DIN: 01628855
Place : Mumbai
Date: May 29, 2019

Sd/-
Shreyas Shah
(Executive Director)
DIN: 01835575

Sd/-
Gunjan Kataruka
(Company Secretary)

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2019

Particulars	Note	For the year ended March 31, 2019 INR Lacs	For the year ended March 31, 2018 INR Lacs
I. Revenue From Operations			
-Fees and Commission income		820.19	1,072.46
II. Other Income	16	45.39	18.42
III. Total Income (I+II)		865.58	1,090.88
IV. EXPENSES			
Fees and Commission expenses	17	378.51	532.08
Finance costs	18	3.22	3.14
Employee benefits expense	19	182.84	154.28
Depreciation and amortization expense	20	11.28	11.51
Other expenses	21	67.84	65.97
Total expenses (IV)		643.69	766.98
V. Profit before tax (III-IV)		221.89	323.90
VI. Tax expense:	22		
(1) Current tax		63.16	87.62
(2) Short/(Excess) provision for tax- Previous years		-	(6.51)
(3) Deferred tax		(6.38)	1.75
Total tax expenses (VI)		56.78	82.86
VII. Profit for the year (V-VI)		165.11	241.04
VIII. Other Comprehensive Income		-	-
IX. Total other comprehensive income		-	-
X. Total comprehensive income for the year (VII+VIII)		165.11	241.04
XI. Earnings per equity share:			
Basic & Diluted (Face value Rs.10 per equity share)		1.41	2.01

**The accompanying notes (Note No. 1 to 32) are integral part of the financial statements
In terms of our attached report of even date**

For V.N. PUROHIT & CO.
Chartered Accountants
Firm Registration No. 304040E

For and on behalf of the Aryaman Financial Services Limited

Sd/-
O P Pareek
Partner
Membership No: 014238
Place : Mumbai
Date: May 29, 2019

Sd/-
Shripal Shah
(Executive Director)
DIN: 01628855
Place : Mumbai
Date: May 29, 2019

Sd/-
Shreyas Shah
(Executive Director)
DIN: 01835575

Sd/-
Gunjan kataruka
(Company Secretary)

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2019

A. Equity Share Capital:

Particulars	Amount
	INR Lacs
Balance as at 31st March, 2017	1168.20
Changes in equity share capital during the year 2017-18	-
Balance as at 31st March, 2018	1,168.20
Changes in equity share capital during the year 2018-19	-
Balance as at 31st March, 2019	1,168.20

B. Other Equity:

Particulars	Reserves and Surplus				Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	
As at March 31, 2017	6.52	317.68	260.75	19.39	604.35
Profit for the year 2017-18	-	-	-	241.04	241.04
As at March 31, 2018	6.52	317.68	260.75	260.44	845.39
Profit for the year 2018-19	-	-	-	165.11	165.11
As at March 31, 2019	6.52	317.68	260.75	425.55	1010.50

The accompanying notes (Note No. 1 to 32) are integral part of the financial statements

In terms of our attached report of even date

For V.N. PUROHIT & CO.

Chartered Accountants
Firm Registration No. 304040E

For and on behalf of the Aryaman Financial Services Limited

Sd/-

O P Pareek

Partner

Membership No: 014238

Place : Mumbai

Date: May 29, 2019

Sd/-

Shripal Shah

(Executive Director)

DIN: 01628855

Place : Mumbai

Date: May 29, 2019

Sd/-

Shreyas Shah

(Executive Director)

DIN: 01835575

Sd/-

Gunjan kataruka

(Company Secretary)

STANDALONE STATEMENT OF CASH FLOW

For the year ended March 31, 2019



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Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
A. Cash flow from operating activities		
Profit for the year	165.11	323.90
Adjustments for:		
Finance costs	3.22	3.14
Depreciation and amortisation expense	11.28	11.51
Interest income	(45.17)	18.65
Investment/Dividend Income	(0.01)	-
Operating profit before working capital changes	134.44	319.90
Movements in working capital:		
(Increase)/decrease in trade receivables	(4.06)	10.95
(Increase)/decrease in other assets	20.49	(48.82)
Increase/(decrease) in trade payables	(140.76)	319.57
Increase/(decrease) in other liabilities	42.49	71.26
Cash generated from operations	(32.38)	672.86
Direct taxes paid (net)	(30.00)	(85.62)
Net cash from operating activities (A)	(62.39)	587.24
B. Cash flows from investing activities		
Payment for property, plant and equipment (PPE)	(10.90)	(3.26)
Purchase/Sale of Investment	28.80	(28.80)
Investment in Fixed deposits	-	(561.86)
Interest Income	45.17	18.65
Net cash (used in) investing activities (B)	63.06	(575.27)
C. Cash flow from financing activities		
Repayment of borrowings	3.77	(7.19)
Interest paid	(3.22)	(3.14)
Net cash (used in) financing activities (C)	0.56	(10.33)
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	1.23	1.64
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2.76	1.12
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3.99	2.76

Note: 1

Changes in Liability arising from financing activity	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Opening Balance of Borrowings	21.37	28.56
Cash Flows	3.77	(7.19)
Closing Balance of Borrowings	25.14	21.37

The accompanying notes (Note No. 1 to 32) are integral part of the financial statements

In terms of our attached report of even date

For V.N. PUROHIT & CO.
Chartered Accountants
Firm Registration No. 304040E

For and on behalf of the Aryaman Financial Services Limited

Sd/-
CA O.P. Pareek
Partner
Membership No: 014238
Place : Mumbai
Date: May 29, 2019

Sd/-
Shripal Shah
(Executive Director)
DIN: 01628855
Place : Mumbai
Date: May 29, 2019

Sd/-
Shreyas Shah
(Executive Director)
DIN: 01835575

Sd/-
Gunjan Kataruka
(Company Secretary)

NOTES

TO FINANCIAL STATEMENTS

Note – 1

A. CORPORATE INFORMATION:

Aryaman Financial Services Limited is a public limited company domiciled in India with its registered office located at 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi-110005. The Company is listed on BSE Limited (BSE). The Company is engaged in the business of Merchant Banking.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- i. Certain financial assets and liabilities are measured at Fair value (Refer note no. 7 below)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in INR, the functional currency of the Company. Rounding of amounts all amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs as per the requirement of Schedule III, unless otherwise stated.

The Company presents its Balance Sheet in order of liquidity.

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgments and key source of estimation uncertainty:

The Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

- a) Estimation of current tax expenses and payable - Refer note no. – 14

3. Property, plant and equipment (PPE):

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

NOTES

TO FINANCIAL STATEMENTS

4. Intangible assets:

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

5. Depreciation and Amortization:

a) Property plant and equipment (PPE):

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Estimated useful life is as below:

Computer - 3 Years

Furniture and fixtures - 10 years

Office equipments - 5 years

Motor Vehicles - 8 years

b) Intangible assets:

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortization period and the amortization method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

6. Investments in subsidiaries:

Investments in subsidiaries are carried at cost less accumulated impairment, if any.

7. Financial Instruments:

Financial assets:

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instruments.

Equity Instruments:

Considering the entity's business model for managing equity instruments; the investments in equity shares have been recognised at fair value as on date of balance sheet. Fair value movements are recognized in the other comprehensive income (OCI).

Dividends on these investments in equity instruments are recognized in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

Derecognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

NOTES

To Financial Statements (Contd.)

Financial Liabilities:

Initial Recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement:

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts:

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

8. Fair Value Measurement:

The Company measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) **Level 2** -Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) **Level 3**-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES

To Financial Statements (Contd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

9. Inventory:

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

10. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

11. Foreign Currency Transactions:

a) Initial Recognition:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

12. Revenue Recognition:

Rendering of Services:

Income from services rendered is recognised based on invoices raised for service provided on an accrual basis.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, any taxes or duties collected on behalf of the government which are levied on sales such as Goods & Service taxes (GST) and service tax.

Dividend:

Dividend Income is recognized when right to receive the same is established.

13. Employee Benefits:

Employee Benefits: - The Company does not falls within the applicability of Employee benefit plans.

14. Taxes on Income:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

NOTES

To Financial Statements (Contd.)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

15. Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

16. Earnings Per Share:

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

17. Leases:

Where the Company is Lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

Where the Company is Lessor:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

18. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in financial statements.

NOTES

To Financial Statements (Contd.)

2. Cash & Cash Equivalents:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Balance with Banks		
(i) in current accounts	3.90	1.63
Cash on hand	0.09	1.13
Total	3.99	2.76

3. Bank Balances other than Cash & Cash Equivalents:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Balance with Banks-Fixed Deposits	651.27	654.25
Total	651.27	654.25

4. Trade Receivables:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Unsecured, considered good	9.77	5.71
Total	9.77	5.71

Footnotes: No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

5. Investment in Subsidiaries:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Investments measured at cost (fully paid)		
i. Subsidiaries:		
Quoted : (refer footnote no. (i))		
88,97,120 (31st March, 2018: 88,97,120) Equity shares of Rs. 10 each of Aryaman Capital Markets Ltd.	937.03	937.03
35,00,000 (31st March, 2018: 35,00,000) Equity shares of Rs. 10 each of Escorp Asset Management Ltd	410.00	410.00
Total	1,347.03	1,347.03

Footnotes:

(i) The market value of Investment in Aryaman Capital Markets Ltd is Rs. 2,495.64 Lacs as on 31.03.2019 and Rs. 2246.52 Lacs as on 31.03.2018

(ii) The Market value of Investments in Escorp Asset Management Ltd is Rs. 445lac as on 31/03/2019 and Rs. 526.75lacs as on 31.03.2018

NOTES

To Financial Statements (Contd.)

5 (a). Investments:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Quoted, Fully paid up:		
Fair valued through Other Comprehensive income		
NIL (31st March, 2018: 28800) Equity shares of Rs. 10 each of Yasho Industries Ltd	-	28.80
Total	-	28.80

6. Other Financial assets:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Interest accrued but not due on fixed deposits	2.32	2.27
Total	2.32	2.27

7. Property, Plant and Equipment:

Gross Block:

Particulars	Freehold land	Furniture & Fixtures	Office Equipments	Computer	Motor Vehicle	Total
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2017	83.43	0.52	0.37	11.22	62.80	158.34
Additions	-	-	0.40	2.93	-	3.33
Disposals	-	0.06	-	-	-	0.06
Balance as at March 31, 2018	83.43	0.46	0.77	14.15	62.80	161.61
Additions	-	3.40	0.26	2.50	8.94	15.10
Disposals	-	-	-	-	16.87	16.87
Balance as at March 31, 2019	83.43	3.86	1.03	16.65	54.86	159.84

Accumulated depreciation:

Particulars	Freehold land	Furniture & Fixtures	Office Equipments	Computer	Motor Vehicle	Total
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2017	-	0.13	0.27	8.38	16.03	24.80
Additions	-	0.05	0.08	3.93	7.46	11.51
Disposals	-	-	-	-	-	-
Balance as at March 31, 2018	-	0.18	0.35	12.30	23.49	36.32
Additions	-	0.37	0.19	3.42	7.30	11.28
Disposals	-	-	-	-	12.67	12.67
Balance as at March 31, 2019	-	0.54	0.55	15.72	18.12	34.93
Net carrying value as at March 31, 2018	83.43	0.29	0.41	1.85	39.31	125.29
Net carrying value as at March 31, 2019	83.43	3.32	0.48	0.93	36.75	124.91

NOTES

To Financial Statements (Contd.)

8. Other non-financial assets:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Unsecured, considered good		
Security deposits for Properties	250.50	250.50
Other Advances & Deposits	3.06	0.09
Advance to Suppliers	-	0.44
Prepaid expenses	4.36	7.83
GST Input	30.13	34.33
GST Excess paid refundable	-	12.42
Total	288.05	305.61

9. Trade Payables:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Due to Micro and Small Enterprises	-	-
Due to others	190.31	331.07
Total	190.31	331.07

10. Borrowings:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
In India-Secured		
At Amortised cost	25.14	21.37
From Banks and Financial Institutions (Refer note (i) below)		
Total	25.14	21.37

Footnotes:

Security and other details

- i. Loan from Financial Institutions represents Car Loan taken from Daimler Financial Services India Pvt. Ltd of Rs. 36.00 lacs for tenure of 5 years, repayable in monthly installments of Rs. 0.59 lacs . and a car loan taken from HDFC bank of Rs. 10,07,761 for a tenure of 5 years, repayable in monthly installments of Rs. 20,968/-. The amount payable in next 12 months has been shown as current maturities of long term debt.

11. Other financial liabilities:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Current maturities of long term debt	6.50	4.71
Employee related payables	14.65	12.81
Other payables	4.32	26.48
Total	25.47	44.00

NOTES

To Financial Statements (Contd.)

12. Deferred Tax Liability:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Deferred Tax Liabilities		
- on account of depreciation	1.20	7.59
Total	1.20	7.59

13. Other current liabilities:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Advances received from customers	45.93	67.86
Statutory dues payable	11.60	13.64
Total	57.53	81.50

14. Equity share capital:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Authorised:		
1,17,00,000 (31.03.2018: 1,17,00,000) Equity Shares of ₹ 10 each	1,170.00	1,170.00
Issued, Subscribed and Paid up :		
1,16,82,000 (31.03.2018: 1,16,82,000) Equity Shares of ₹ 10 each	1,168.20	1,168.20
Total	1,168.20	1,168.20

Notes:

14.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

Authorised share capital:	No. of shares	Amount
	In Lacs	INR Lacs
Balance as at March 31, 2018	117.00	1,170.00
Add / (Less): Changes during the year	-	-
Balance as at March 31, 2019	117.00	1,170.00

Issued, Subscribed and Paid up share capital:	No. of shares	Amount
	In Lacs	INR Lacs
Balance as at March 31, 2018	116.82	1,168.20
Add / (Less): Changes during the year	-	-
Balance as at March 31, 2019	116.82	1,168.20

14.2. Terms / rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

NOTES

To Financial Statements (Contd.)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

14.3. Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity share of ₹ 10 each fully paid up with voting rights	Number of fully paid equity shares In Lacs	Holding (%)
Mahshri Enterprises Private Limited		
As at March 31, 2018	70.83	60.63%
As at March 31, 2019	70.83	60.63%

15. Other Equity:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Capital reserve	6.52	6.52
General reserve	260.75	260.75
Securities premium	317.68	317.68
Retained earnings	425.55	260.44
Total	1010.50	845.39

15.1 Capital reserve:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	6.52	6.52
Add/(Less): Movement during the year	-	-
Balance as at end of the year	6.52	6.52

15.2 Securities Premium:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	317.68	317.68
Add/(Less): Movement during the year	-	-
Balance as at end of the year	317.68	317.68

15.3 General reserve:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	260.75	260.75
Add/(Less): Movement during the year	-	-
Balance as at end of the year	260.75	260.75

NOTES

To Financial Statements (Contd.)

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

15.4 Retained earnings:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	260.44	19.40
Profit for the year	165.11	241.04
Balance as at end of the year	425.55	260.44

16. Other Income

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Interest income on Fixed deposit	45.17	18.65
Investment and Dividend Income	0.01	(0.23)
Miscellaneous income	0.02	-
Balances written back	0.20	-
Total	45.39	18.42

17. Fee & Commission Expenses:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Commision & Brokerages	181.71	32.75
Legal & Professional Charges	105.81	419.16
Advertisement & Publicity Fees	67.56	21.26
Fees to Stock Exchanges etc	22.83	57.91
Other Fees Payable	0.60	1.00
Total	378.51	532.08

18. Finance Costs:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Interest Expenses on:		
Borrowings measured at amortised cost	2.64	2.97
Other borrowing costs (includes fees charged by banks for renewal of sanctioned limits, lead bank charges, etc)	0.57	0.17
Total	3.21	3.14

NOTES

To Financial Statements (Contd.)

19. Employee Benefit Expense:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Salaries, wages and bonus (including managerial remuneration)	151.73	132.00
Director Remuneration	27.00	18.00
Staff welfare expenses	4.10	4.28
Total	182.84	154.28

20. Depreciation and amortisation expense:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Depreciation of property, plant and equipment	11.28	11.55
Total	11.28	11.55

21. Other Expenses:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Rent Rates and Taxes	3.86	0.87
Telephone Expenses	1.84	2.40
Membership fees and subscription	3.00	3.00
Electricity Charges	2.49	3.27
Office Administration Expenses	55.31	54.73
Payment to Auditors (excluding service tax)	-	-
Audit Fees	1.00	1.50
For Taxation Matter	0.20	-
For Limited Review	0.14	0.19
Balances written off	-	0.01
Total	67.84	65.97

22. Income taxes:

a) Tax expense recognised in the Statement of profit and loss:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Current tax		
Current year	63.16	87.62
Total current tax	63.16	87.62
Deferred tax		
Relating to origination and reversal of temporary difference	(6.38)	1.75
Total deferred income tax expense/(credit)	6.38	1.75
Short/(Excess) provision for tax- Previous years	-	(6.51)
Total income tax expense/(credit)	56.78	82.86

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To Financial Statements (Contd.)

Reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

b) Reconciliation of effective tax rate:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Profit/(loss) before taxation	221.89	323.90
Enacted income tax rate in India	27.55%	27.55%
Tax at the enacted income tax rate	61.13	89.24
Reconciliation line items:		
Other items not taxable	4.35	6.39
Tax expense/ (credit)	56.78	82.86

c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018:

Particulars	As at	Credit/	As at
	March 31, 2017	(charge) in	March 31, 2017
	INR Lacs	Statement of	INR Lacs
		profit and loss	
		INR Lacs	
Deferred tax assets/(liabilities)			
On Account of Depreciation	5.84	1.75	7.59
TOTAL	5.84	1.75	7.59

Particulars	As at	Credit/	As at
	March 31, 2018	(charge) in	March 31, 2018
	INR Lacs	Statement of	INR Lacs
		profit and loss	
		INR Lacs	
Deferred tax assets/(liabilities)			
On Account of Depreciation	7.59	(6.38)	1.21
TOTAL	7.59	(6.38)	1.21

23. Contingent liabilities & Commitments:

The company does not have any contingent liabilities and Commitments (Including Capital Commitments as on March 31, 2019 (As at March 31, 2018 - Nil).

24. Earnings Per share:

Particulars	As at	As at
	March 31, 2019 ^[51]	March 31, 2018
Profit after tax available for equity shareholders	165.11	241.04
Weighted average number of equity shares	116.82	119.77
Nominal value of equity shares	10.00	10.00
Basic and diluted Earning Per Share	1.41	2.01

25. Segment Reporting:

The Company's Board of Directors has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocated the resources based on an analysis of various performance indicators. The Company is primarily engaged in the business of financial services. The same has been considered as business

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To Financial Statements (Contd.)

segment and the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

26. Related party disclosures:

As per IND AS 24, the disclosures of transactions with the related parties are given below:

1.

Category	Name of the Related Party/ Relationship
Holding Company	Mahshri Enterprises Pvt Ltd
Subsidiary Company	Aryaman Capital Markets Ltd
	Escorp Asset Management Ltd
Key Managerial Personnel	Mr. Shripal Shah, Director & CFO
	Mr. Shreyas Shah, Director
	Mr. Deepesh Jain, Company Secretary (upto 31-12-2018) Ms. Gunjan Kataruka, Company Secretary (from 01-01-2019)
Entities in which KMP have significant influence	Vardhaman Investment (Proprietor - Mrs. Roopa Shah) (Mother of Shirpal Shah)

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Name of the Related Party	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Mr. Shripal Shah - Salary Paid	18.00	11.25
Mr. Shreyas Shah - Salary Paid	9.00	6.75
Mr. Deepesh Jain	8.80	7.65
Ms. Gunjan Kataruka	1.59	-

3. Balances outstanding:

Name of the Related Party	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Office Deposit - Vardhaman Investment (Proprietor - Mrs. Roopa Shah)	250.00	250.00
Salary Payable to:		
Mr. Shripal Shah	1.19	1.45
Mr. Shreyas Shah	0.74	0.74
Mr. Deepesh Jain	-	0.80
Ms. Gunjan Kataruka	0.53	-

27. Financial instruments:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

1. The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

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To Financial Statements (Contd.)

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- **Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

For March 31, 2019:

Particulars	FVOCI INR Lacs	FVTPL INR Lacs	Amortised cost INR Lacs	Total fair value INR Lacs	Carrying Amount INR Lacs
Financial assets					
Investments in subsidiaries	-	-	1347.03	1347.03	1347.03
Trade receivables	-	-	9.77	9.77	9.77
Cash and cash equivalents	-	-	3.99	3.99	3.99
Other bank balances	-	-	651.27	651.27	651.27
Other financial assets	-	-	2.32	2.32	2.32
Total Financial assets	-	-	2014.39	2014.39	2014.39
Financial liabilities					
Borrowings	-	-	25.14	25.14	25.14
Trade payables	-	-	190.31	190.31	190.31
Others	-	-	190.31	190.31	190.31
Total financial liabilities	-	-	405.76	405.76	405.76

For March 31, 2018:

Particulars	FVOCI INR Lacs	FVTPL INR Lacs	Amortised cost INR Lacs	Total fair value INR Lacs	Carrying Amount INR Lacs
Financial assets					
Investments in subsidiaries	-	-	1375.84	1375.84	1375.84
Trade receivables	-	-	5.71	5.71	5.71
Cash and cash equivalents	-	-	2.76	2.76	2.76
Other bank balances	-	-	654.25	654.25	654.25
Other financial assets	-	-	2.27	2.27	2.27
Total Financial assets	-	-	2040.83	2040.83	2040.83
Financial liabilities					
Borrowings	-	-	21.37	21.37	21.37
Trade payables	-	-	337.07	337.07	337.07
Others	-	-	44.00	44.00	44.00
Total financial liabilities	-	-	396.44	396.44	396.44

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

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To Financial Statements (Contd.)

28. Financial risk factors:

The Company's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

a) Liquidity risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company. The Company does not have any undrawn borrowing facilities with the Banks/Financial institutions.

i. The following is the contractual maturities of the financial liabilities:

As at March 31, 2019:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Borrowings	25.14	-	25.14	-
Trade payables	190.31	-	190.31	-
Other financial liabilities	25.46	-	25.46	-
Total	240.91	-	240.91	-

As at March 31, 2018:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Borrowings	21.37	-	21.37	-
Trade payables	331.07	-	331.07	-
Other financial liabilities	44.00	-	44.00	-
Total	396.44	-	396.44	-

b) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment, deposits, foreign currency receivables and payables. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management

i. Foreign currency risk:

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does not have any foreign currency transactions and hence is not exposed to the Foreign Currency Risks.

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To Financial Statements (Contd.)

ii. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's does not have any long term borrowings. Hence, the Company is not exposed to the interest rate risk.

c) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments. Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Company's major sales are to its holding company, United Spirits Limited (USL). USL has extended trade advance to support the operations of the Company. Hence, the credit exposure is assessed to be negligible.

Exposure to the Credit risks:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	12.10	7.98

Exposure to the Credit risks:

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	9.77	5.71
-Trade Receivables		

Trade and other receivables:

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- Actual or expected significant adverse changes in business.
- Actual or expected significant changes in the operating results of the counterparty
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- Significant increase in credit risk on other financial instruments of same counterparty

Ageing of the accounts receivables:

Particulars	As at March 31, 2019	As at March 31, 2018
	INR Lacs	INR Lacs
< six months	9.77	5.71
> six months	-	-
	9.77	5.71

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To Financial Statements (Contd.)

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2019 and March 31, 2018.

29. a) Financial risk factors

Capital risk management:

The Company's objectives when managing capital are to

- i. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ii. maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

30. Recent accounting pronouncements:

Ind AS 116 - Leases:

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

Ind AS 12 –“Income taxes” - Appendix C – Uncertainty over income tax treatments :

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.

31. The financial statements were approved for issue by the Board of Directors on May 29, 2019.

32. The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable

**The accompanying notes (Note No. 1 to 32) are integral part of the financial statements
In terms of our attached report of even date**

For V.N. PUROHIT & CO.

Chartered Accountants
Firm Registration No. 304040E

Sd/-

CA O.P. Pareek

Partner

Membership No: 014238

Place : Mumbai

Date: May 29, 2019

For and on behalf of the Aryaman Financial Services Limited

Sd/-

Shripal Shah

(Executive Director)

DIN: 01628855

Place : Mumbai

Date: May 29, 2019

Sd/-

Shreyas Shah

(Executive Director)

DIN: 01835575

Sd/-

Gunjan Kataruka

(Company Secretary)

Independent Auditor's Report

To
The members of
ARYAMAN FINANCIAL SERVICES LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **ARYAMAN FINANCIAL SERVICES LIMITED** hereby referred to as the 'Holding Company') and its subsidiaries (Holding Company its subsidiaries together referred to as 'the Group'), which comprise the consolidated balance sheet as at 31st March 2019, the consolidated statement of profit and loss and the consolidated cash flows statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereby referred as 'the consolidated financial statement').

In our opinion and to the best of our information and explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standard (Ind AS) prescribed under section 133 the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended and the other accounting principles generally accepted in India: -

- i. In case of the Consolidated Balance Sheet, of the **consolidated state of affairs** of the Company as at 31st March, 2019;
- ii. In case of Consolidated Statement of Profit and Loss , of the **consolidated profit** for the year ended on that date; and
- iii. In case of Consolidated Cash Flow Statement, of the **consolidated cash flows** for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described hereunder to be key audit matters to be communicated in our report.

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To Financial Statements (Contd.)

Key audit matters	Auditor's response
<u>Measurement of Revenue</u> As per new notified Ind AS 115, measurement of revenue to be made on transaction price.	Our audit procedure inter- alia included the following- <ul style="list-style-type: none">• We used assessment of overall control environment relevant for measurement of revenue.• We performed testing of journal entries, with particular focus on manual adjustment to revenue account, to mitigate the risk of manipulation of revenue and profit figures.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that true and fair value of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including the Accounting Standards specified in the section 133 of the Act, the respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of assets of the Group and for preventing and detecting frauds and other irregularities; selection and application and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statement, the respective Board of Directors of the companies including in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operation, or has no realistic alternative but to do so.

The respective Board of Directors the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain a reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (vi) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

NOTES

To Financial Statements (Contd.)

- (vii) Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (viii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (ix) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (x) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the consolidated financial statement may be influenced.

We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and, (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relation to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

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To Financial Statements (Contd.)

- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, none of the directors of the Group companies is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure-A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations would impact the consolidated financial position of the Group.
 - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
 - iv. The Group is not required to transfer any amount to the Investor Education and Protection Fund.

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

Sd/-

O.P. Pareek

Partner

Membership No. 014238

New Delhi, the 29th day of May 2019

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To Financial Statements (Contd.)

ANNEXURE- A TO THE AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the Internal Financial Controls under Clause (i) of Sub- section (3) of Section 143 of the Companies Act, 2013

In conjunction with our audit of the consolidated financial statement of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of ARYAMAN FINANCIAL SERVICES LIMITED (hereinafter referred to as "Holding Company") along with its subsidiaries, as of that date.

Management's Responsibility for the Internal Financial Controls

The respective management of the Company, its subsidiaries, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that: -

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To Financial Statements (Contd.)

- (4) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (5) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (6) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and could not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company and its subsidiaries company, have, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on "the internal financial controls over financial reporting criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

FOR V.N. PUROHIT & CO.

Chartered Accountants

Firm Regn. No. 304040E

Sd/-

O.P. Pareek

Partner

Membership No. 014238

New Delhi, the 29th day of May 2019.

CONSOLIDATED BALANCE SHEET

As at March 31, 2019



25th ANNUAL REPORT | 2018-19

Particulars	Note	As at March 31, 2019	As at March 31, 2018
		INR Lacs	INR Lacs
ASSETS			
Financial Assets			
Cash and cash equivalents	2	102.72	50.89
Bank balances other than above	3	1,236.52	1,080.50
Inventories(Stock in trade)	4	3,079.20	1,109.18
Receivables			
Trade receivables	5	28.63	21.14
Investments	6	2784.75	3,542.67
Other financial assets	7	318.92	428.29
Non-Financial Assets			
Current tax assets(net)	8	79.14	42.10
Property, Plant and equipment	9	230.69	169.32
Other Intangible Assets		2.86	0.51
Other non financial Assets	10	46.06	67.36
TOTAL ASSETS		7,909.48	6,511.96
LIABILITIES AND EQUITY			
Financial Liabilities			
Payables			
(I)Trade Payables	11		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		191.96	339.52
Borrowings (other than debt security)	12	3,205.80	1,787.70
Other Financial liabilities	13	26.89	46.68
Non-financial Liabilities			
Current Tax Liabilities (net)		-	-
Deferred tax liabilities (net)	14	55.85	35.32
Other non-financial liabilities	15	97.83	127.89
Total Equity		3,578.33	2,337.11
Equity			
Equity Share Capital	16	1,168.20	1,168.20
Other equity	17	1,894.78	1,748.97
Equity attributable to owners of the company		3,062.98	2,917.17
Non-controlling interest		1,268.17	1,257.68
Total equity		4,331.15	4,174.85
TOTAL EQUITY AND LIABILITIES		7,909.48	6,511.96

The accompanying notes (Note No. 1 to 36) are integral part of the financial statements
In terms of our attached report of even date

For V.N. PUROHIT & CO.
Chartered Accountants
Firm Registration No. 304040E

Sd/-
CA O.P. Pareek
Partner
Membership No: 014238
Place : Mumbai
Date: May 29, 2019

For and on behalf of the Aryaman Financial Services Limited

Sd/-
Shripal Shah
(Executive Director)
DIN: 01628855
Place : Mumbai
Date: May 29, 2019

Sd/-
Shreyas Shah
(Executive Director)
DIN: 01835575

Sd/-
Gunjan Kataruka
(Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2019



25th ANNUAL REPORT | 2018-19

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
		INR Lacs	INR Lacs
I. Revenue From Operations			
- Fees & Commission Income		948.22	1,147.20
-Sale of stock in trade		7,620.19	2,475.79
-Investment & Dividend Income		23.58	266.53
Total Revenue from operations		8,519.99	3,889.51
II. Other Income	18	84.55	51.39
III. Total Income (I+II)		8,676.54	3,940.90
IV. EXPENSES			
Finance costs	19	244.30	64.34
Fees & Commission expenses	20	378.51	532.08
Purchase of Stock-in-trade		9,444.95	3,734.19
Changes in Inventories (Stock-in Trade)		(1970.03)	(1,062.03)
Employee benefits expense	21	200	167.75
Depreciation and amortization expense	22	15.46	13.78
Other expenses	23	120.50	107.82
Total expenses (IV)		8,433.70	3,557.93
V. Profit before tax (III-IV)		242.85	382.97
VI. Tax expense:			
(1) Current tax	24	68.25	98.13
(2) MAT credit entitlement		-	(9.84)
(3) Short/(Excess) provision for tax- Previous years		-	(6.51)
(4) Deferred tax		(4.68)	2.56
Total Tax Expenses		63.58	84.35
VII. Profit for the year (V-VI)		179.27	298.63
VIII. Other Comprehensive Income		(22.98)	375.60
IX. Total other comprehensive income		(22.98)	375.60
X. Total comprehensive income for the year (VII+IX)		156.29	674.23
Total Profit/(Loss) for the year attributable to:			
- Owners of the Company		177.29	281.95
- Non - Controlling Company		1.98	16.67
Other comprehensive income/(loss) for the year attributable to:			
- Owners of the Company		(31.49)	209.55
- Non - Controlling Company		8.52	166.05
Total Comprehensive income/(loss) for the year attributable to:			
- Owners of the Company		145.79	491.50
- Non - Controlling Company		10.49	182.72
XI. Earnings per equity share:			
Basic & Diluted (Face value ₹10 per equity share)	28	1.52	2.41

The accompanying notes (Note No. 1 to 36) are integral part of the financial statements
In terms of our attached report of even date

For V.N. PUROHIT & CO.
Chartered Accountants
Firm Registration No. 304040E

Sd/-
CA O.P. Pareek
Partner
Membership No: 014238
Place : Mumbai
Date: May 29, 2019

For and on behalf of the Aryaman Financial Services Limited

Sd/-
Shripal Shah
(Executive Director)
DIN: 01628855
Place : Mumbai
Date: May 29, 2019

Sd/-
Shreyas Shah
(Executive Director)
DIN: 01835575

Sd/-
Gunjan Kataruka
(Company Secretary)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2019

a) Equity Share Capital:

Particulars	Amount INR Lacs
Balance as at 31st March, 2017	1,168.20
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	1,168.20
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	1,168.20

b) Other Equity:

Particulars	Reserves and Surplus				Other comprehensive income (OCI) FVOCI - Equity Instrument INR Lacs	Total Other Equity INR Lacs
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
	INR Lacs	INR Lacs	INR Lacs	INR Lacs		
As at 31st March, 2017	6.52	447.03	260.75	143.01	575.76	1,433.08
Profit for the year 2017-18	-	-	-	281.95	-	281.95
Other comprehensive income for the year 2017-18	-	-	-	-	209.55	209.55
Impact of Change in the Minority Interest	-	(129.36)	-	26.90	(73.14)	(175.60)
As at 31st March, 2018	6.52	317.67	260.75	451.86	712.17	1748.97
Profit for the year 2018-19	-	-	-	177.29	-	177.29
Other comprehensive income for the year	-	-	-	-	(31.48)	(31.48)
As at 31st March, 2019	6.52	317.67	260.75	629.16	680.69	1894.78

The accompanying notes (Note No. 1 to 36) are integral part of the financial statements
In terms of our attached report of even date

For V.N. PUROHIT & CO.
Chartered Accountants
Firm Registration No. 304040E

Sd/-
CA O.P. Pareek
Partner
Membership No: 014238
Place : Mumbai
Date: May 29, 2019

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Shreyas Shah
(Executive Director)
DIN: 01835575

Sd/-
Gunjan Kataruka
(Company Secretary)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2019

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	INR Lacs	INR Lacs
A. Cash flow from operating activities		
Profit for the year before tax	242.85	382.96
Adjustments for:		
Finance costs	244.30	64.34
Depreciation and amortization expense	15.46	19.07
Interest income	(84.32)	(51.62)
Operating profit before working capital changes	418.30	414.75
Movements in working capital:		
(Increase)/decrease in inventories	(1,970.03)	(1,062.04)
(Increase)/decrease in trade receivables	(7.48)	(2.99)
(Increase)/decrease in other assets	(25.35)	(616.87)
Increase /(decrease) in trade payables	(147.57)	321.43
Increase /(decrease) in other liabilities	(49.84)	406.27
Cash generated from operations	(1,781.98)	(539.43)
Direct taxes paid (net)	(105.28)	(130.54)
Net cash from operating activities (A)	(1,887.26)	(669.97)
B. Cash flows from investing activities		
Purchase/Sale of property, plant and equipment (PPE)	(79.18)	(7.01)
Purchase of Investments (net)	760.15	(789.57)
Interest Income	84.32	51.62
Net cash (used in) investing activities (B)	765.28	(744.96)
C. Cash flow from financing activities		
Interest paid	(244.30)	(64.34)
Proceeds from Short term Borrowings (net)	1418.20	1494.13
Net cash (used in) financing activities (C)	1,173.80	1,429.79
NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	51.82	14.86
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	50.89	36.03
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	102.72	50.89

The accompanying notes (Note No. 1 to 36) are integral part of the financial statements

In terms of our attached report of even date

For V.N. PUROHIT & CO.
Chartered Accountants
Firm Registration No. 304040E

Sd/-
CA O.P. Pareek
Partner
Membership No: 014238
Place : Mumbai
Date: May 29, 2019

For and on behalf of the Aryaman Financial Services Limited

Sd/-
Shripal Shah
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DIN: 01628855
Place : Mumbai
Date: May 29, 2019

Sd/-
Shreyas Shah
(Executive Director)
DIN: 01835575

Sd/-
Gunjan Kataruka
(Company Secretary)

NOTES

To Financial Statements

Note 1:

A. CORPORATE INFORMATION:

The consolidated financial statements comprises financial statements of Aryaman Financial Services limited (Parent Company) and its 2 subsidiaries (hereinafter to be referred as the Group) for the year ended March 31, 2019.

Aryaman Financial Services Limited is a public limited Group domiciled in India with its registered office located at 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi-110005. The Group is listed on BSE Limited (BSE). The group is engaged in the business of Financial services viz. Merchant Banking, Investments (Strategic & Non Strategic)"

B. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements:

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Certain financial assets and liabilities are measured at Fair value (Refer note no. 7)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or noncurrent as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The Consolidated financial statements are presented in INR, the functional currency of the Company. Rounding of amounts All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lacs as per the requirement of Schedule III, unless otherwise stated.

Basis of Consolidation:

The consolidated financial statements comprise the financial statements of the Parent Group and its subsidiaries as at March 31, 2019.

Subsidiaries:

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee
- c. The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary.

Consolidation Procedure:

Subsidiaries:

- a. Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

NOTES

To Financial Statements (Contd.)

- b. Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intra-group assets and liabilities, equity, income, expenses and Cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment (PPE), are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions."

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies

Changes in the Group's ownership interest in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

2. Use of Estimates and judgments:

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgments and key source of estimation uncertainty:

The Group is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Estimation of current tax expenses and payable - Refer note no. – 14

3. Property, plant and equipment (PPE):

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, land and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

NOTES

To Financial Statements (Contd.)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

4. Intangible assets:

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

5. Depreciation and Amortization:

a) Property Plant and Equipment (PPE):

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013. Freehold Land is not being depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate. "

Estimated useful life is as below:

Computer - 3 Years

Furniture and fixtures - 10 years

Office equipments - 5 years

Motor Vehicles - 8 years

Leasehold premises - 30 years

b) Intangible Assets:

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

6. Investment Properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided based on straight line method using the useful life as specified in schedule II of the Companies Act, 2013.

7. Financial Instruments:

Financial Assets:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement:

Financial assets are subsequently classified as measured at:

- amortised cost

- fair value through profit & loss (FVTPL)

- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the: (a) the entity's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset.

(i) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES

To Financial Statements (Contd.)

(ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss.

(iii) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity Instruments:

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

Impairment:

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Group does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. For financial assets other than trade receivables, the Group recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

De-recognition:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial Liabilities:

NOTES

To Financial Statements (Contd.)

Initial Recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement:

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts:

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

8. Fair Value Measurement:

The Group measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES

To Financial Statements (Contd.)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

9. Inventory/Securities for trade:

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

10. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

11. Foreign Currency Transactions:

a) Initial Recognition:

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date:

Foreign currency monetary items of the Group are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

12. Revenue Recognition:

Rendering of Services:

Income from services rendered is recognised based on invoices raised for service provided on an accrual basis. Revenue is measured at fair value of the consideration received or receivable; after deduction of any discounts and any taxes or duties collected on behalf of the government which is levied on sales such as Goods & Service tax, sales tax, value added tax, etc.

Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

Dividend:

Dividend Income is recognized when right to receive the same is established.

13. Employee Benefits:

Employee Benefits: - The Group does not falls within the applicability of Employee Benefit plans.

14. Income Taxes:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

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The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

15. Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

16. Earnings Per Share:

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

17. Leases:

Where the Group is Lessee:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on accrual basis as per the terms of agreements entered with the counter parties.

Where the Group is Lessor:

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Group recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

18. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognized nor disclosed in financial statements.

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2. Cash & cash equivalents:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balances with banks		
i) in current accounts	98.14	45.28
Nominal value per share	4.58	5.61
Total	102.72	50.89

3. Bank balances other than cash and cash equivalents:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Fixed deposits with bank	1236.52	1,080.50
Total	1236.52	1,080.50

4. Inventories:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Quoted Equities-Closing Stock	3,079.20	1,109.18
Total	3,079.20	1,109.18

5. Trade receivables:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Unsecured, considered good	28.63	21.14
Total	28.63	21.14

Footnotes:

i) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.

6. Investments:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Investments measured at Fair Value through Other Comprehensive Income		
Quoted, Fully paid up :		
28,800 (previous year - Nil) Equity shares of ₹ 10 each of Yasho Industries Ltd.	-	28.80
1,28,000 (previous year - Nil) Equity Shares of @ ₹ 10 Each of Advitiya Trade India Ltd.	-	21.17
2,232 (previous year - 1,76,000) Equity Shares of ₹ 10 each of AGI Infra Ltd.	13.58	3.79
2,00,400 (previous year 1,38,000) Equity shares of ₹ 10 each of Bajaj Health Care Ltd.	1694.90	1,585.60
52,800(previous year - 2,10,000) Equity shares of ₹10 each of Mitsu Chem Plast Ltd.	90.29	74.98
1,92,000 (previous year - 1,92,000) Equity shares of ₹ 10 each of SRG Securities Finance Ltd.	80.54	81.60
1,17,000 (previous year - 44,000) Equity shares of ₹ 10 each of Diksat Transworld Ltd.	793.44	533.28
1,50,000(previous year - 78,000) Equity shares of ₹ 10 each of Maximus International Ltd.	24.20	51.90
1,42,400(previous year - 49,600) Equity shares of ₹10 each of Octware Technologies Ltd.	-	128.23
2,04,000(previous year - 1,58,000) Equity shares of ₹ 10 each of Tanvi Foods India Ltd.	-	135.15
3,68,000 (previous year - Nil) Equity shares of ₹10 each of Shreeshay Engineers Ltd	-	58.77
73,200 (previous year - Nil) Equity shares of ₹ 10 each of Silly Monks Entertainment Ltd	-	86.74

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1,20,000 (previous year - Nil) Equity shares of ₹ 10 each of CKP Leisure Ltd	-	33.60
2,92,000 (previous year - Nil) Equity shares of ₹10 each of Geekay Wire Ltd	-	105.13
50,000 (previous year - Nil) Equity shares of ₹10 each of India Bull Venture Ltd	-	121.25
4,05,006 (previous year - Nil) Equity shares of ₹10 each of Visesh Infotechnic Ltd	-	0.93
48,000 (previous year - Nil) Equity shares of ₹ 10 each of Giriraj Civil Developers Ltd	-	48.00
79,200 (previous year - Nil) Equity shares of ₹ 10 each of Uravi T & Wedge Lamps Ltd	-	79.20
1,48,800 (previous year - Nil) Equity shares of ₹ 10 each of Yasho Industries Ltd	-	148.80
1,93,200 (previous year - Nil) Equity shares of ₹ 10 each of Medico Remedies Ltd	-	187.40
66,000 (previous year - Nil) Equity shares of ₹10 each of Ashoka Metcast Ltd	-	5.61
3,000(previous year - Nil) Equity shares of ₹10 each of CKP Product Ltd.	0.91	-
18,000 (previous year - Nil) Equity shares of R 10 each of Silly Monks	11.97	-
4656000 (previous year - Nil) Equity shares of R 10 each of Landmark	15.83	-
23,000 (previous year - Nil) Equity shares of R 10 each of SKS Textiles	8.27	-
20,000 (previous year - Nil) Equity shares of R 10 each of Suyog Telematics	51.00	-
Investments measured at Fair Value through Other Comprehensive Income (Quoted, partly paid)	-	-
9,375(Previous year - Nil) Equity shares of ₹ 10 each of India Bull Venture Ltd	-	22.73
Aggregate amount of investments	2,784.75	3,542.67
Market Value of Quoted Investments	2,784.75	3,542.67
Aggregate Value of Quoted Investments (at cost)	1,622.45	2,382.60

7. Other financial assets:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Unsecured, considered good		
Fixed Deposits	-	-
Security deposit for properties	250.50	250.50
Security deposit(stock exchanges)	54.49	150.00
Unamortised expenses (Initial Public offer)	4.57	6.59
Other deposits	3.07	0.10
Interest accrued but not due on fixed deposits	6.29	21.09
Total	318.92	428.29

8. Current tax assets(net):

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Income tax assets		
- TDS	79.14	189.97
- Provision for tax	-	(147.87)
Total	79.14	42.10

9. A. Property, plant and equipment:

Gross Carrying Amount:

Particulars	Freehold land	Leasehold Premises	Furniture & Fixtures	Office Equipment	Computer	Motor Vehicle	Total
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2017	83.43	43.63	0.64	1.18	12.59	62.72	204.21
Additions	-	-	-	0.48	6.59	-	7.07
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2018	83.43	43.63	0.64	1.66	19.18	62.72	211.28

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To Financial Statements (Contd.)

Additions		58.71	8.44	0.26	3.54	8.94	79.88
Disposals				-	-	16.87	16.87
Balance as at March 31, 2019	83.43	102.34	9.08	1.95	22.72	54.78	274.30

Accumulated depreciation:

Particulars	Freehold land	Leasehold Premises	Furniture & Fixtures	Office Equipment	Computer	Motor Vehicle	Total
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2017	-	2.88	0.17	0.36	9.13	16.03	28.58
Depreciation expense	-	0.72	0.06	0.29	4.87	7.46	13.40
Eliminated on disposals of assets	-	-	-	-	-	-	-
Balance as at March 31, 2018	-	3.60	0.23	0.65	14.00	23.49	41.97
Depreciation expense	-	1.24	0.39	0.35	5.03	7.30	14.32
Eliminated on disposals of assets	-	-	-	-	-	12.67	12.67
Balance as at March 31, 2019	-	4.84	0.63	1.00	19.03	18.12	43.63
Net carrying amount as at March 31, 2019	83.43	97.49	8.45	0.94	3.69	36.67	230.68
Net carrying amount as at March 31, 2018	83.43	40.03	0.42	1.03	5.18	39.23	169.32

9.B Intangible assets:

Gross Carrying Amount:

Particulars	Cochin Stock Exchange Membership	Software	Total
	INR Lacs	INR Lacs	INR Lacs
Balance as at March 31, 2017	16.60	0.90	17.49
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2018	16.60	0.90	17.50
Additions	-	3.50	3.50
Disposals	-	-	-
Balance as at March 31, 2019	16.60	4.40	21.00

Accumulated Amortization / Impairment:

Particulars	Cochin Stock Exchange Membership	Software	Total
	INR Lacs	INR Lacs	INR Lacs
Balance as at 31st March, 2016	16.60	0.01	16.61
Amortisation expense on disposals of assets	-	0.39	0.39
Balance as at 31st March, 2017	16.60	0.39	16.99
Amortisation expense on disposals of assets	-	1.14	1.14
Balance as at 31st March, 2018	16.60	1.55	18.15

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Net carrying amount as at March 31, 2018	-	0.50	0.51
Net carrying amount as at March 31, 2019	-	2.86	2.85

10. Other Non-Financial assets:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Advance to suppliers	8.15	0.44
GST Excess Paid(Refundable)	-	12.42
GST Input Tax	30.13	34.33
Prepaid expenses	7.42	14.22
Other Current assets	0.36	0.67
Unamortized Expenses-Initial Public Offer	-	5.28
Total	46.05	6.36

11. Trade payables:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Dues to Micro and Small enterprises	-	-
Dues to Others	191.96	339.52
Total	191.96	339.52

12. Borrowings:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
(A) Borrowings – Non Current		
Secured		
From Financial Institutions (Refer note (i) below)	25.14	21.37
	25.14	21.37
Unsecured		
From Financial Institutions (Refer note (ii) below)	3,180.66	1,766.33
TOTAL	3,205.80	1,787.70

Footnotes:

Security and other details: (i) Loan from Financial Institutions represents Car Loan taken from Daimler Financial Services India Pvt. Ltd of ₹ 36,00,000 for a tenure of 5 years, repayable in monthly installments of ₹ 59,436/- and a car loan taken from HDFC bank of Rs. 10,07,761 for a tenure of 5 years, repayable in monthly installments of Rs. 20,968/- The amount payable in next 12 months has been shown as current maturities of long term debt.

Terms and Conditions: These borrowings from NBFCs and corporates and carry interest rate in the range of 9 to 10% p.a . Further the same is repayable on demand.

13. Other Financial Liabilities:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Interest payable on borrowings	-	-
Current maturities of long term debt	6.50	4.71
Employee related payables	15.68	13.96
Other payables	4.72	26.51

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Conveyance Payable	-	0.02
Director Sitting Fees Payable	-	0.35
BSE General Charges Payable	0.01	1.13
Provision for IPO Expenses	-	-
Total	26.90	46.68

14. Deferred Tax Liability:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Deferred Tax Liabilities		
- on account of depreciation	8.15	12.83
Deferred Tax Liabilities (OCI)	47.70	22.49
MAT Credit entitlement	-	-
Total	55.85	35.32

16. Equity share capital:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Authorised:		
1,17,00,000 (31.03.2017: 1,17,00,000) Equity Shares of ₹ 10 each	1,170.00	1,170.00
Issued, Subscribed and Paid up:		
1,16,82,000 (31.03.2017: 1,16,82,000) Equity Shares of ₹ 10 each	1,168.20	1,168.20
Total	1,168.20	1,168.20

Notes:

16.1 Reconciliation of number of shares outstanding at the beginning and end of the year:

Authorized share capital:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at 31st March, 2017	117.00	117.00
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2018	117.00	117.00
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2019	117.00	117.00

Issued, Subscribed and Paid up share capital:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at 31st March, 2017	116.82	116.82
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2018	116.82	116.82
Add / (Less): Changes during the year	-	-
Balance as at 31st March, 2019	116.82	116.82

16.2 Terms / rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders at the ensuing Annual General Meeting, except in case of interim dividend.

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In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.

16.3 Details of shares held by each shareholder holding more than 5% shares in the Company:

Equity share of ₹ 10 each fully paid up with voting rights	Number of fully paid equity shares	Holding (%)
Mahshri Enterprises Private Limited		
As at 31st March, 2018	7,083,030	60.63%
As at 31st March, 2019	7,083,030	60.63%

17. Other equity:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Capital reserve	6.52	6.52
General reserve	260.75	260.75
Securities premium	317.68	317.68
Retained earnings	629.19	451.90
Other Comprehensive Income	680.63	712.12
TOTAL	1,894.77	1,748.98

17.1 Capital reserve:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	6.52	6.52
Add/(Less): Movement during the year	-	-
Balance as at end of the year	6.52	6.52

17.2 Securities premium:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	317.68	447.04
Add/(Less): On share issued during the year	-	-
Add/(Less): Adjusted against minority interest	-	(129.36)
Balance as at end of the year	317.68	317.68

17.3 General reserve:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	260.75	260.75
Add/(Less): Movement during the year	-	-
Balance as at end of the year	260.75	260.75

Note:

The general reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

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17.4 Retained Earnings:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	451.91	143.05
Add/(Less): Profit for the year	177.29	281.95
Add/(Less): Adjusted against minority interest	-	26.90
Balance as at end of the year	629.19	451.90

17.5 Other Comprehensive Income:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Balance as at beginning of the year	712.12	575.71
Add/(Less): Profit for the year	(31.49)	209.55
Add/(Less): Adjusted against minority interest	-	(73.14)
Total	680.63	712.12

18. Other Income:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Interest Income on Fixed Deposits	84.32	51.62
Miscellaneous Income	0.23	(0.23)
Total	84.55	51.39

19. Finance Costs:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Interest Expenses on:		
- Borrowings	243.56	64.14
- Other borrowing costs	0.74	0.20
Total	244.30	64.34

20. Fees & Commission expenses :

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Commission and Brokerages	181.71	32.75
Legal & Professional fees	105.81	419.16
Advertisement & Publicity fees	67.56	21.26
Stock Exchange Fees etc.	22.83	57.91
Other fee expenses	0.60	1.00
Total	378.51	532.08

21. Employee Benefit Expense:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Salaries, wages and bonus (including managerial remuneration)	168.16	144.08
Directors Remuneration	27.00	18.00

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Staff welfare expenses	4.84	5.67
Total	200.00	167.75

22. Depreciation and amortisation expense:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Depreciation of property, plant and equipment (Refer note 2)	14.32	13.78
Amortisation of intangible assets (Refer note 3)	1.14	0.00
Total	15.46	13.78

23. Other Expenses:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Rent Rates and Taxes	3.86	0.87
Telephone Expenses	2.57	3.73
Professional/Agency fees & Other expenses	2.32	1.19
Membership fees and subscription	6.33	6.38
Commission & Brokerage	-	0.04
Electricity Charges	2.49	3.27
Payment to Auditors	-	-
Audit Fees	1.79	2.33
For Taxation Matter	0.20	-
For Limited Review	0.18	0.27
Sundry balances written off	-	1.14
Office Administration expenses	95.48	83.33
Total	120.50	107.82

24. Contingent liabilities & Commitments:

The Group does not have any contingent liabilities and Commitments (Including Capital Commitments as on March 31, 2019 (As at March 31, 2018 - Nil).

25. Earning Per share:

Particulars	As at March 31, 2019	As at March 31, 2018
Profit after tax available for equity shareholders (INR Lacs)	177.29	281.95
Weighted average number of equity shares (Nos.)	116.82	116.82
Nominal value of equity shares of ₹ 10 each	10.00	10.00
Basic and diluted Earning Per Share - INR	1.52	2.41

26. Segment Reporting:

The Group's Board of Directors has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocated the resources based on an analysis of various performance indicators. The Group is primarily engaged in the business of financial services and related synergical investment / trading activities. The same has been considered as business segment and the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

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27. Related party disclosures:

a) As per IND AS 24, the disclosures of transactions with the related parties are given below:

Category	Name of the Related Party/ Relationship
Holding Company	Mahshri Enterprises Pvt Ltd
	Mr. Shripal Shah, Director & CFO
Key Managerial Personnel	Mr. Shreyas Shah, Director
	Mr. Deepesh Jain, Company Secretary (up to 31-12-2018)
	Ms Gunjan Kataruka, Company Secretary (w.e.f. 01-01-2019)
Entities in which KMP have significant influence	Vardhaman Investment (Proprietor - Mrs. Roopa Shah (Mother of Shripal Shah)
	Mrs. Meloni Shah (Wife of Shripal Shah & Employee)

b) Transactions carried out with related parties referred in 1 above, in ordinary course of business:

Name of the Related Party	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Mr. Shripal Shah - Salary Paid	11.25	9.75
Mr. Shreyas Shah - Salary Paid	6.75	6.00
Mr. Deepesh Jain - Salary Paid	8.80	7.65
Mrs. Meloni Shah - Salary Paid	1.95	1.95
Ms. Gunjan Kataruka – Salary Paid	1.59	1.95

c) Balances outstanding:

Name of the Related Party	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Office Deposit - Vardhaman Investment (Proprietor - Mrs. Roopa Shah)	250.00	250.00
Salary Payable to:		
Mr. Shripal Shah	1.19	1.45
Mr. Shreyas Shah	0.74	0.74
Mr. Deepesh Jain	-	0.80
Ms. Gunjan Kataruka	0.53	-
Mrs. Meloni Shah	0.15	0.15

28. Income taxes:

a) Tax expense recognized in the Statement of profit and loss:

Particulars	As at March 31, 2019 INR Lacs	As at March 31, 2018 INR Lacs
Current tax		
Current year	68.25	98.13
Total current tax	68.25	98.13
Deferred tax		
Relating to origination and reversal of temporary difference	(4.68)	2.56
Total deferred income tax expense/(credit)	(4.68)	2.56
Short/(Excess) provision for tax- Previous years	-	(6.51)
MAT Credit avails/(Utilized)	-	(9.84)
Total income tax expense/(credit)	63.57	84.34

Reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

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b) Reconciliation of effective tax rate:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Profit/(loss) before taxation	242.85	382.97
Enacted income tax rate in India	27.82%	27.55%
Tax at the enacted income tax rate	67.56	105.52
Reconciliation line items:		
Other items not taxable	3.99	21.18
Tax expense/ (credit)	63.57	84.34

c) The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018:

Particulars	As at	Credit/ (charge) in Statement of profit and loss	As at
	March 31, 2017		March 31, 2018
	INR Lacs	INR Lacs	INR Lacs
Deferred tax assets/(liabilities)			
On Account of Depreciation	10.26	2.56	12.82
On Fair Value of Investments in Equity Instruments	-	22.49	22.49
Total	10.26	25.05	35.31

Particulars	As at	Credit/ (charge) in Statement of profit and loss	As at
	March 31, 2018		March 31, 2019
	INR Lacs	INR Lacs	INR Lacs
Deferred tax assets/(liabilities)			
On Account of Depreciation	12.82	(4.68)	8.14
On Fair valuation of Investments in Equity Instruments	22.49	25.21	47.70
Total	35.31	20.52	55.84

29. Financial instruments:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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To Financial Statements (Contd.)

The carrying amounts and fair values of financial instruments by category are as follows:

30. For March 31, 2019:

Particulars	FVOCI	FVTPL	Amortized cost	Total fair value	Carrying amount
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Financial assets					
Investments	2,784.75	-	-	2,784.75	2,784.75
Trade receivables	-	-	28.63	28.63	28.63
Cash and cash equivalents	-	-	102.72	102.72	102.72
Other bank balances	-	-	1,236.52	1,236.52	1,236.52
Other financial assets	-	-	318.92	318.92	318.92
Total Financial assets	2,784.75	-	1,686.78	4,471.54	4,471.54
Financial liabilities					
Borrowings	-	-	3,205.80	3,205.80	3,205.80
Trade payables	-	-	191.96	191.96	191.96
Others	-	-	26.89	26.89	26.89
Total financial liabilities	-	-	3,424.65	3,424.65	3,424.65

For March 31, 2018:

Particulars	FVOCI	FVTPL	Amortized cost	Total fair value	Carrying amount
	INR Lacs	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Financial assets					
Investments	3,542.67	-	-	3,542.67	3,542.67
Trade receivables	-	-	21.14	21.14	21.14
Cash and cash equivalents	-	-	50.89	50.89	50.89
Other bank balances	-	-	1,080.50	1,080.50	1,080.50
Other financial assets	-	-	428.29	428.29	428.29
Total Financial assets	3,542.67	-	1,580.82	5,123.49	5,123.49
Financial liabilities					
Borrowings	-	-	1,787.70	1,787.70	1,787.70
Trade payables	-	-	334.52	334.52	334.52
Others	-	-	46.68	46.68	46.68
Total financial liabilities	-	-	2,173.90	2,173.90	2,173.90

Fair value estimation:

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarized below:

For March 31, 2019:

Particulars	Level 1 INR Lacs	Level 2 INR Lacs	Level 3 INR Lacs
Assets at fair value - Investments	2,784.75	-	-

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To Financial Statements (Contd.)

For March 31, 2018:

Particulars	Level 1	Level 2	Level 3
	INR Lacs	INR Lacs	INR Lacs
Assets at fair value - Investments	3,542.67	-	-

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

31. Financial risk factors:

The Group's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Group's operations and to provide to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized as below.

a) Liquidity Risk:

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Group manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Group. The Group does not have any undrawn borrowing facilities with the Banks/Financial institutions.

i. The following is the contractual maturities of the financial liabilities:

As at March 31, 2019:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Borrowings	3,205.80	-	3,205.80	-
Trade payables	191.96	-	191.96	-
Other financial liabilities	26.89	-	26.89	-
TOTAL	3,424.65	-	3,424.65	-

As at March 31, 2018:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Borrowings	1,787.70	-	1,787.70	-
Trade payables	339.52	-	339.52	-
Other financial liabilities	46.68	-	46.68	-
TOTAL	2,173.90	-	2,173.90	-

b) Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment, deposits, foreign currency receivables and payables. The Group's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

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To Financial Statements (Contd.)

i. Foreign currency risk:

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Group's functional and presentation currency is INR. The Group does not have any foreign currency transactions and hence is not exposed to the Foreign Currency Risks

ii. Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Group's does not have any long term borrowings. Hence, the Group is not exposed to the interest rate risk.

iii. Price risk:

The Company's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company offsets its risk through strong research policies practice followed

Sensitivity:

The table below summarizes the impact of increases/(decreases) of the BSE index on the Company's equity and Gain/ (Loss) for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index

Impact on Profit before tax:

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
BSE Sensex - Increase 5 %	81.12	119.13
BSE Sensex - Decrease 5%	(81.12)	(119.13)

iv. Underwriting Risk:

The Group undertakes underwriting of various public issues of Securities in the Capital Market. This risk includes market making for new securities. This includes compulsion to provide two way quotes to a client s on a Stock exchange. The Company carries cash flow risk in case it is required to compensate Underwriter for not able to provide the quoted. The Company manages this risk by underwriting issues only after strong research conducted by it

c) Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. The Group is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments. The Group is not significantly exposed to the credit risk toward trade receivables considering the nature of services provided by the Company.

Trade receivables that have exposure to the Credit risks:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	-	-
- Trade Receivables	28.63	21.14

Trade and other receivables:

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Group compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

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To Financial Statements (Contd.)

- i. Actual or expected significant adverse changes in business.
- ii. Actual or expected significant changes in the operating results of the counterparty.
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
- iv. Significant increase in credit risk on other financial instruments of same counterparty

Ageing of the accounts receivables

Particulars	As at	As at
	March 31, 2019	March 31, 2018
	INR Lacs	INR Lacs
< six months	-	1.62
> six months	28.63	19.52
	28.63	21.14

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2019 and March 31, 2018.

32. Capital risk management:

The Group's objectives when managing capital are to:

- i. safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ii. maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the parent Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure

33. The financial statements were approved for issue by the Board of Directors on 29th May, 2019.

34.

Cash Flow from Financing activities	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Borrowings	1,787.70	293.57
Cash flows during the year	1,418.10	1,494.13
Closing Borrowings	3,205.80	1,787.70

35. Recent Accounting pronouncements

Ind AS 116 - Leases:

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

Ind AS 12 – “Income taxes” - Appendix C – Uncertainty over income tax treatments:

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.

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To Financial Statements (Contd.)

36. Disclosure of Additional information required by Division II of Schedule III of the Companies Act, 2013:

Sr. No	Name of Entity	Net assets		Share in Profits and losses		Share in other Comprehensive income		Share in total Comprehensive income	
		As % of consolidated net assets	Rs. In Lakhs	As % of consolidated net assets	Rs. In Lakhs	As % of consolidated net assets	Rs. In Lakhs	As % of consolidated net assets	Rs. In Lakhs
1	Aryaman Financial Services Limited, Parent	14%	1,131.32	92%	165.11	0%	-	106%	165.11
2	Aryaman Capital Markets Limited, Subsidiary	66%	5,205.66	12%	21.75	388%	(89.12)	-43%	(67.38)
3	Escorp Assets Management Limited, Subsidiary	20%	1,572.53	(4%)	(7.59)	(288%)	66.14	37%	58.55
	Total		7,909.51		179.27		(22.98)		156.28

37. The figures of the previous years have been regrouped or reclassified wherever necessary to make them comparable

The accompanying notes (Note No. 1 to 36) are integral part of the financial statements
In terms of our attached report of even date

For V.N. PUROHIT & CO.
Chartered Accountants
Firm Registration No. 304040E

For and on behalf of the Aryaman Financial Services Limited

Sd/-
CA O.P. Pareek
Partner
Membership No: 014238

Sd/-
Shripal Shah
(Executive Director)
DIN: 01628855

Sd/-
Shreyas Shah
(Executive Director)
DIN: 01835575

Sd/-
Gunjan Kataruka
(Company Secretary)

Place : Mumbai
Date: May 29, 2019

Place : Mumbai
Date: May 29, 2019



ARYAMAN FINANCIAL SERVICES LIMITED

CIN: L74899DL1994PLC059009

Regd Office: 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi - 110 005

Corporate Office: 60, Khatau Building, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001

Tel.: 022 – 6216 6999; **Fax:** 022 – 22630434

Website: www.afsl.co.in; **Email:** info@afsl.co.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

25th Annual General Meeting – Wednesday, September 25, 2019

Name of the Member(s)	
Registered Address:	
Email-Id:	
Folio No./Client ID:	
DP ID:	

I/we, being the member (s) ofshares of the above named company, hereby appoint

1. Name.....Email:.....Address:.....
 Signature:_____

or failing him/her

2. Name.....Email:.....Address:.....
 Signature:_____ or

or failing him/her

3. Name.....Email:.....Address:.....
 Signature:_____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Wednesday, September 25, 2019 at 10.00 A.M. at Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi – 110 074 and at any adjournment thereof in respect such resolutions as are indicated below:

Resolut ion No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
1.	Adoption of Audited Financial Statements of the company for the year ended March 31, 2019, the reports of the Board of Directors and auditors thereon and the Audited Consolidated Financial statements of the company for the financial year ended March 31, 2019			
2.	Appoint a director in place of Mr. Shreyas Shah, who retires by rotation and being eligible, seeks reappointment			
3.	Appointment of Mr. Abhinav Anand as Independent Director			
4.	Appointment of Mrs. Meloni Shah as Non Executive and Non-Independent Director			

Signed this..... day of.....2019

.....
Signature of shareholder(s)

.....
Signature of Proxy holder(s)

Please
Affix ₹ 1
Revenue
Stamp

.....
Signature of Proxy holder(s)

.....
Signature of Proxy holder(s)

Notes:

1. *This form of proxy in order to be effective should be duly completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.*
2. *It is optional to indicate your preference. If you leave for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.*
3. *The proxy need not be a member of the company. Appointing proxy does not prevent a member from attending in person if he so wishes.*
4. *In case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.*



ARYAMAN FINANCIAL SERVICES LIMITED

CIN: L74899DL1994PLC059009

Regd Office: 102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi - 110 005

Corporate Office: 60, Khatau Building, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001

Tel.: 022 – 6216 6999; **Fax:** 022 – 22630434

Website: www.afsl.co.in; **Email:** info@afsl.co.in

ATTENDANCE SLIP

Registered Folio No./DP ID no./Client ID no.:	
DP ID - Client ID	
No. of Shares Held	

I hereby record my presence at 25th Annual General Meeting of the Company, to be held on Wednesday 25th September, 2019 at 10.00 A.M. at Vihara Innovation Campus, D-57, Chattarpur Enclave, 100 ft. Road, New Delhi - 110074.

.....
Name of the member/proxy	Signature of the member/proxy
(in BLOCK Letters)	

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Notice for reference to the AGM.

BOOK POST

If undelivered please return to:

Aryaman Financial Services Limited
60, Khatau Building, Ground. Floor,
Opposite P. J. Tower (BSE building)
Alkesh Dinesh Modi Marg, Fort
Mumbai – 400 001.

Tel No: 022 6216 6999;
Fax No: 022 2263 0434