

# **AAR Shyam India Investment Company Limited**

## **Registered Office :**

L-7, GREEN PARK  
EXTENSION, NEW  
DELHI-110016



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### Vision

To be a leading financial services provider, admired and respected for ethics, values and corporate governance



FORM A

Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of The Company	AAR Shyam India Investment Company Ltd.
2	Annual Financial Statement for the year ended	March 31 <sup>st</sup> , 2015
3	Type of Audit Observation	Un-qualified/Matter of Emphasis
4	Frequency of Observation	Not Applicable

For AAR Shyam India Investment Company Limited

Sd/-  
Mr. Dinesh Kumar  
Chief Financial Officer

Sd/-  
Mr. Rakesh Babu  
CEO

Sd/-  
Sahib Singh Gussain  
Chairman (Audit Committee)

Sd/-  
For M/s. Vipin Aggarwal &  
Associates,  
Chartered Accountants,  
(FRN.: 014454N)

Vipin Aggarwal  
Partner  
M.No.- 016544



CORPORATE INFORMATION

**BOARD OF DIRECTORS**

Mr. Rakesh Babu  
Mr. Sahib Singh Gusain  
Mr. Kushal Jain  
Ms. Beenu Aggarwal

CEO  
Independent Director  
Independent Director  
Director (Women Director)

**CHIEF FINANCIAL OFFICER**

Mr. Dinesh Kumar

**COMPANY SECRETARY**

Ms. Simran Kaur

**STATUTORY AUDITORS**

M/s Vipin Aggarwal & Associates  
E-4, Defence Colony  
New Delhi- 110024

**REGISTRAR AND SHARE TRANSFER AGENT**

MAS Services Limited  
T-34, 2nd Floor, Okhla Industrial Area, Phase-II  
New Delhi-110020

**REGISTERED OFFICE**

L-7 Green Park Extension,  
New Delhi-110016

**INTERNAL AUDITORS**

M/s MAKS & CO.  
Shop No. 301, 3<sup>rd</sup> Floor,  
Vikas Surya Tower, Sector-12, Dwarka  
New Delhi-110075

**SECRETARIAL AUDITORS**

M/s Kundan Agrawal & Associates  
H-23A, 204 Kamal Tower, Near Sai Mandir,  
Vikas Marg, Laxmi Nagar, Delhi-110092



## MANAGEMENT DISCUSSION AND ANALYSIS

The year 2014 has been a landmark year in the history of Indian Politics as the new NDA government came into power and formed the government with sweeping majority.

The magnitude of the mandate has ignited hopes that the new government would be able to implement reforms for greater growth in the future. The first quarter of FY15 saw a surge in investor sentiments that was triggered by the ascent to power of the NDA.

The new government presented the Budget for the FY15-16 which focused on growth, weaker sections and social security and at the same time, fiscal responsibility was maintained. A bulk of the Budget spending was directed towards infrastructure rather than consumption and subsidies and, as a result, the quality of the deficit has improved too. Some proposals that will drive growth include investments worth ₹ 7,00,000 million in infrastructure and the roadmap for constructing six crore houses. At the same time, stated investments for one lakh kilometres of roads will contribute towards hastening development. Towards augmenting financial inclusion, the government launched the Pradhan Mantri Jan- Dhan Yojana (PMJDY) in September 2014, a scheme which envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy and access to credit and insurance. During the year, the government also tried to give a fillip to MSME sector, which contributes to 37.5% of the country's GDP, through various programmes, including the Prime Minister's Employment Generation Programme, Micro and Small Enterprises-Cluster Development Programme, Credit Guarantee Fund Scheme for Micro and Small Enterprises, Performance and Credit Rating Scheme, Assistance to Training Institutions, and Scheme of Fund for Regeneration of Traditional Industries, amongst others. The Economic Survey acknowledged that these 36.1 million entities have a critical role in boosting industrial growth and ensuring the success of the 'Make in India' programme.

Riding on the wave of optimism, growth picked up during FY15, according to figures released by the Economic Survey, which pointed out that the service sector, particularly financing, insurance, real estate and business services have been the most dynamic sectors in the economy in recent years. The improvement in the macroeconomic parameters was evident as the GDP growth picked up after past 2 years of poor results. During FY14, the GDP growth was well below 5% and has shown recovery from the first quarter of FY15 where the GDP growth rate moved to 5.7%. The World Bank has estimated that the GDP growth for India for the year FY15-16 would be around 7.5%, as per the new series of calculating GDP (part GDP data not comparable).

The measures and policies taken by the RBI have controlled the inflation in India. In April 2014, the CPI was at 8.48% which has been come down significantly after the new Government has been formed at the Centre. During the latter half of the FY15, the CPI has been maintained well below 5.5%. This has been a significant achievement which has impacted the common man positively.

On the monetary front, the RBI kept policy rates unchanged until December 2014, despite easing in inflationary trends. The central bank later cut repo rates twice, by a total of 50 basis points, bringing it down to 7.50% and signaling a softening in its monetary policy stance. Despite this initiation of monetary easing, the real impact will be seen over the next 12 months as it translates into lower interest rates. The RBI clarified that the major determinants of further rate cuts would be the transmission of the rate reductions and food inflation. Nevertheless, interest rates are bound to continue to trend downwards as inflation has come down significantly and steadily and the CAD, fiscal deficit and oil are under control.

Looking ahead, it appears that the economy is headed for an up cycle of growth as interest rates are trending downward and inflation has been reigned in. These macro indicators, coupled with buoyant business and consumer sentiments bode well for the near-term future of the economy.





## PERFORMANCE AND POLICIES OF THE NBFC SECTOR

This has resulted in healthier competition among companies within the sector. The asset base of the NBFC sector stood at Rs. 1,27,01,000 million in FY14, and represents 14.3% of banking assets in FY14.

According to a report titled 'NBFC Sector - Trends, Regulatory Framework and Way Forward' by CARE Ratings, the Capital Adequacy Ratio (CAR) for the NBFC sector is comfortable both on a Total CAR as well as on a Tier ICAR basis. However, the profitability of companies in the sector has been impacted on account of the past's slowdown in economic growth, which also impacted NBFCs' asset quality. Nevertheless, the resource profile of NBFCs continues to be stable with around 34% of total borrowing coming from capital market sources including NCDs, subordinated debt, preference shares, etc and 31% from bank funding.

### Policy initiatives during FY15 that impact NBFCs in general:

- The RBI circulated new norms for the sector, titled 'Revised Regulatory Framework for NBFCs' on November 10, 2014. These were aimed at strengthening the structural profile of NBFCs and, at the same time, safeguarding the interests of the depositors. The rules related to minimum net owned funds were tightened and the deposit acceptance ratio, capital norms, asset classification rules and corporate governance norms were made more stringent.
- Budget 2015-16 proposed that NBFCs with assets of Rs. 5,000 million and above will be treated as financial institution under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002. This initiative will bring about parity in regulation for NBFCs registered with the RBI and other financial institutions, in matters relating to recovery.
- With respect to lending against shares, NBFCs are now required to maintain an LTV ratio of 50% and accept only Group 1 securities (specified by SEBI) as collateral for loans with values of more than 5 lakh, subject to review. Further, all NBFCs with asset sizes of 1,000 million and above are required to report on-line to stock exchanges, information on the shares pledged in their favor, by borrowers availing loans.
- The RBI has accredited SME Rating Agency of India Ltd. (SMERA) as an 'approved credit rating agency' for the purpose of rating fixed deposits of NBFCs. Accordingly, NBFCs may also use the ratings of SMERA for the purpose of rating their Fixed Deposits. The Minimum Investment Grade Rating for Fixed Deposits is "SMERA A".
- The central bank has modified regulations regarding raising money by NBFCs through Private Placement of Non-Convertible Debentures (NCDs) in February 2015.
- Provisioning of doubtful assets - In July 2014, the RBI released a circular outlining prudential norms on income recognition, asset classification and provisioning pertaining to advances.



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report on the business and operations of the Company together with audited statements of accounts for the financial year ended 31st March, 2015.

### FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2014-15 are given hereunder:

(Rs.)

	2014-15	2013-14
Revenue from operations & other income	10,67,383	83,655
Operating Profit (EBIDTA)	24,580	26,376
Finance Cost	--	--
Gross Profit (PBD)	--	--
Depreciation & amortization	--	--
Profit before tax	24,580	26,376
Provision for		
- Current Tax (net)	22,490	8,150
- Deferred Tax	--	--
- MAT Credit entitlement	--	--
- Adjustment for prior period tax/tax on dividend	--	--
Net Profit	2,090	18,226
Balance b/f from previous year	4,599,214	4,580,988
Profit available for appropriation	4,601,304	4,599,214
Appropriation:-		
Balance Carried to Balance Sheet	4,601,304	4,599,214

### DIVIDEND

In order to meet the future requirements of the Company, your Directors have decided not to recommend dividend for the Financial Year 2014-15.

### OPERATIONS

➤ During the year under review, the revenue from operations increased to Rs.10.67 lacs as against Rs.0.88 lacs in the previous year.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges and Circular/Notifications/ Directions issued by Reserve Bank of India from time to time, the Management Discussion and Analysis of the financial condition and result of operations of the Company for the year under review is presented in a separate section forming part of the Annual Report.

### CORPORATE GOVERNANCE

A Report on Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, forms part of the Annual Report.

A Certificate from, M/s Kundan Agarwal & Associates, Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, also forms part of the Annual Report.

### FINANCE

#### (i) Share Capital

The paid-up Share Capital as on 31st March, 2015 was Rs. 300 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

During the year under review, there was a change in the capital structure of the Company. The Board has allotted 20,10,000 (Twenty Lakh Ten Thousand) equity shares of Rs 10 each at par. Further, the Authorized Share Capital of



the Company has been increased from Rs. 1,00,00,000 (One Crore) divided into 10,00,000 (Ten Lakh) Equity Shares of Rs. 10/- each (Ten) to Rs. 3,50,00,000 (Three Crore Fifty Lakh) divided into 30,00,000 (Thirty Lakh) Equity Shares of Rs. 10 each (Ten).

**(ii) Public Deposits**

The Company being a Non-Deposit Accepting Non-Banking Finance Company has not accepted any deposits from the public during the year under review and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI).

**(iii) Particulars of loans, guarantees or investments**

Particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

**RBI GUIDELINES**

As a Non Deposit taking Non-Banking Finance Company, your Company always aims to operate in compliance with applicable RBI laws and regulations and employs its best efforts towards achieving the same.

**NUMBER OF MEETINGS OF THE BOARD**

The Board met 8 times in financial year 2014-15 viz., on April 30<sup>th</sup>, 2014, May 12, 2014, May 29, 2014, August 04, 2014, September 03, 2014, November 05, 2014, February 14 2015, and March 28, 2015. The maximum interval between any two meetings did not exceed 120 days.

**COMMITTEES OF THE BOARD**

During the year, in accordance with the Companies Act, 2013 and Clause 49 of Listing Agreement, the Board re-constituted some of its Committees. The Committees are as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

Details of the said Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

**a. Cessation**

During the year under review, Ms. Princy Anand resigned from the post of Company Secretary of the Company. The Board placed on its records her appreciation for the valuable contribution provided by her.

During the year under review, Mr. I.K.Gupta resigned from the post of Directorship and Committees in which he was serving as Chairman/Committee Member with effect from May 20, 2014. The Board placed on its records its appreciation for the valuable contribution provided by all the Directors.

During the year under review, Mr. S.Krishna, Mr. Sanjay Kumar Gupta resigned from the post of Directorship and Committees in which they were serving as Chairman/Committee Member with effect from March 28, 2015 respectively. The Board placed on its records its appreciation for the valuable contribution provided by all the Director.

**b. Retire by Rotation**

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Ms. Beenu Aggarwal, being Non-Executive Director, retires by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting. The Board recommends his appointment.

**c. Appointment of Women Director**

With coming into force of the provisions of Companies Act, 2013, the Board had already appointed Ms. Beenu Aggarwal as Women Director of the Company.

**d. Appointment of Independent Directors**

Mr. Sahib Singh Gusain and Mr. Kushal Jain are the Independent Directors of the Company



e. **Key Managerial Personnel**

**Appointment**

- During the year under review, Mr. Dinesh Kumar was appointed as Chief Financial Officer of the Company w.e.f. 28<sup>th</sup> March, 2015.
- During the year under review, Mr. Rakesh Babu was appointed as Chief Executive Officer of the Company w.e.f. 28<sup>th</sup> March, 2015.
- During the year under review, Ms. Simran Kaur was appointed as Compliance Officer & Company Secretary of the Company w.e.f. 20<sup>th</sup> May, 2015.
- During the year under review, Mr. Rakesh Babu, Chief Executive Officer; Mr. Dinesh Kumar, Chief Financial Officer; and Ms. Simran Kaur, Compliance officer & Company Secretary were designated as the Key Managerial Personnel of the Company pursuant to the requirements of the applicable provisions of Companies Act, 2013 read with its Rules, by the Board of Directors and their terms and conditions of the appointment and remuneration was considered by the Board.

**BOARD'S INDEPENDENCE**

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non- Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 :-

1. Mr. Sahib Singh Gusain (DIN- 00649786)

2. Mr. Kushal Jain (DIN- 06757071)

**DIRECTORS' RESPONSIBILITY STATEMENT**

- (i) To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of the section 134(3)(c) of the Companies Act, 2013:
- (ii) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (iii) that such accounting policies, as mentioned in Note 2 of the Notes to the Financial Statements, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- (iv) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (v) that the annual financial statements have been prepared on a going concern basis;
- (vi) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (vii) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION & EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management and other employees has been formulated including criteria for determining qualifications, positive attributes, Independence of a Director and other matters as required under the said Act and Listing Agreement.

The evaluation framework for assessing the performance of Directors comprises of the following key areas

- Expertise;
- Objectivity and Independence;
- Guidance and support in context of life stage of the Company;

- Understanding of the Company's business;
- Understanding and commitment to duties and responsibilities;
- Willingness to devote the time needed for effective contribution to Company;
- Participation in discussions in effective and constructive manner;
- Responsiveness in approach;
- Ability to encourage and motivate the Management for continued performance and success;

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

Accordingly a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors and also the necessary evaluation was carried out by Nomination and Remuneration Committee and Independent Director at their respective meetings held for the purpose.

#### RELATED PARTY TRANSACTIONS

No Related Party Transactions were entered into during the financial year 2014-15. All Related Party Transactions entered into in the past were on an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with promoters, directors, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large.

On the recommendation of the Audit Committee, the Board of Directors has adopted a policy on Related Party Transactions. The Policy envisages the procedure governing related party transactions required to be followed to ensure compliance with the applicable laws and regulations as well as to ensure that the Related Party Transactions are managed and disclosed in accordance with the strict legal and accounting requirements.

A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms & conditions of the transactions. The statement is supported by a certificate from the CFO.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

#### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure 2 to this Director's Report.

#### STATUTORY AUDITORS & THEIR REPORT

M/s. Vipin Aggarwal & Associates, Chartered Accountants, having ICAI Firm Registration No. 014454N were appointed as Statutory Auditors of your Company at the previous Annual General Meeting of the company.

M/s. Vipin Aggarwal & Associates, Chartered Accountants have resigned from the post of the Statutory Auditor of the Company w.e.f. 14<sup>th</sup> August, 2015.

The Board recommends appointment of M/s STRG Associates, Chartered Accountants as Statutory Auditors from the conclusion of ensuing Annual General Meeting till the conclusion of fifth Annual General Meeting of the Company. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is required to be ratified by members at every Annual General Meeting. Accordingly, the appointment of M/s. STRG & Associates, Chartered Accountants, as Statutory Auditor of the Company is placed for ratification by the shareholders.

The Auditor's Report does not contain any qualification, reservation or adverse remark.

#### SECRETARIAL AUDITORS & THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company had appointed M/s. Kundan Agarwal & Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report for financial year 2014-15, has been appended as Annexure 3 to this Report.

The Auditor's Report does not contain any qualification, reservation or adverse remark.

The Board of the Directors at their Meeting held on March 28, 2015 has appointed M/s. Kundan Agarwal & Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company.



#### **INTERNAL AUDITORS & THEIR REPORT**

Pursuant to provisions of Section 138 of Companies Act 2013 and rules made thereunder, the company had appointed MAK & Co. as Internal Auditor for the year 2014-2015.

#### **PARTICULARS OF EMPLOYEES**

The provisions of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring particulars of the employees in receipt of remuneration in excess of Rs.60 lacs per year to be disclosed in the Report of Board of Directors are not applicable to the Company as none of the employees was in receipt of remuneration in excess of Rs.60 lacs during the financial year 2014-15.

#### **PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, EXPENDITURE ON RESEARCH AND DEVELOPMENT, FOREIGN EXCHANGE INFLOW/OUTFLOW, ETC.**

The requirements of disclosure with regard to Conservation of Energy in terms of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company since it doesn't own any manufacturing facility.

However, the Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

There are no earnings and outgoing Foreign Exchange during the year under review.

#### **VIGIL MECHANISM**

Your Company has established a 'Whistle Blower Policy and Vigil Mechanism' for directors and employees to report to the appropriate authorities concerns about unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct policy and provides safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

#### **RISK MANAGEMENT POLICY AND INTERNAL CONTROL**

The Company has adopted a Risk Management Policy duly approved by the Board and also has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Risk Management Committee, Audit Committee and the Board of Directors of the Company. The Company's internal control systems are commensurate with the nature of its business and the size and complexity.

#### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013 READ WITH RULES**

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

#### **ACKNOWLEDGEMENT**

We are grateful to the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India, the Stock Exchanges, and other regulatory authorities for their valuable guidance and support and wish to express our sincere appreciation for their continued co-operation and assistance. We look forward to their continued support in future.



We wish to thank our bankers, investors, rating agencies, customers and all other business associates for their support and trust reposed in us.

Your Directors express their deep sense of appreciation for all the employees whose commitment, co-operation, active participation, dedication and professionalism has made the organization's growth possible.

Finally, the Directors thank you for your continued trust and support.

For and on behalf of  
AAR Shyam India Investment Company Limited

Dated: 14<sup>th</sup> August, 2015  
Place: New Delhi

Sd/-  
Beenu Aggarwal  
Director

Sd/-  
Sahib Singh Gussain  
Director









			Shares of the company	Pledged / encumbered to total shares		Shares of the company	encumbered to total shares	holding during the year
1.	K. K. Modi Investment & Fin Ser Pvt. Ltd.	4,00,000	40.404	--	2,57,440	8.581	--	(31.823)
2.	Premium Merchants Ltd,	40,000	4.04	--	--	--	--	(4.04)
3.	Shashank Traders Ltd.	2,85,000	28.788	--	--	--	--	(28.788)

iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.	Name of the Promoter	Shareholding 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.	K. K. Modi Investment & Fin Ser Pvt. Ltd.	4,00,000	40.404	2,57,440	8.581
		4,00,000	40.404	2,57,440	8.581

Sl. No.	Name of the Promoter	Shareholding 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
2.	Premium Merchants Ltd	40,000	4.04	--	--
		40,000	4.04	--	--

Sl. No.	Name of the Promoter	Shareholding 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
3.	Shashank Traders Ltd.	2,85,000	28.788	--	--
		2,85,000	28.788	--	--

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1.	Trend Agencies Private Limited	94,000	0.95	--	--
2.	Azure Products Private Limited	89,000	0.9	--	--
3.	Narayan Sales Private Limited	67,000	0.68	--	--
4.	Bijender Jain	930	0.009	930	0.031
5.	Ghan Shyam Prasad Gupta	500	0.005	500	0.01
6.	Brijendra Kumar Somani	400	0.004	400	0.013



7.	Satheesan K. K.	300	0.003	300	0.010
8.	Eirene Bušiness Solution Pvt Ltd	--	--	3,50,000	11.667
9.	Nugget Steel Trading Pvt Ltd	---	--	3,50,000	11.667
10.	Vyaas Vyapaar Pvt Ltd	--	--	3,50,000	11.667
11.	Swapan Kumar Ghosh Huf	--	--	2,00,000	6.667
12.	Puspa Lahari	--	--	2,00,000	6.667
13.	Murari Mohan Bania	--	--	2,00,000	6.667
14.	Deepa Agarwal	--	--	2,00,000	6.667
15.	Sanjib Bera	---	--	1,60,000	5.333
16.	Chandika Infrastructure	--	--	1,42,560	4.752

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.		Shareholding 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.	<b>Rakesh Babu</b> Chief Executive Officer				
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	NIL			
	At the End of the year				

Sl. No.		Shareholding 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
2.	<b>Beenu Agarwal</b> Director				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	NIL			
	At the End of the year				

Sl. No.		Shareholding 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
3.	<b>Mr. Sahib Singh Gusain</b> Independent Director				
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	NIL			
	At the End of the year				

Sl. No.		Shareholding at the beginning of the year		Cumulative during the year		Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company		
4.	Mr.Kushal Jain Independent Director						
	At the beginning of the year						
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	NIL					
	At the End of the year						

Sl. No.		Shareholding at the beginning of the year		Cumulative during the year		Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
5.	Ms. Simran Kaur Company Secretary						
	At the beginning of the year						
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	NIL					
	At the End of the year						

Sl. No.		Shareholding at the beginning of the year		Cumulative during the year		Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
6.	Mr.Dinesh Kumar Chief Financial Officer						
	At the beginning of the year						
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)	NIL					
	At the End of the year						

#### V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid				
iii) Interest accrued but not due				

Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year				
• Addition	--	39,00,000	--	39,00,000
• Reduction				
Net Change	--	39,00,000	--	39,00,00
Indebtedness at the end of the financial year				
i) Principal Amount	--	39,00,000	--	39,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				

S. No.	Particulars of Remuneration	Name of CEO/MD/WTD/Manger	Total Amount (in Rs.)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Mr., Rakesh Babu, CEO of the Company is not drawing any remuneration from the Company. Further, there is no M.D./ Whole-Time Director/Manager in the Company	
2.	Stock Option		
3.	Sweat Equity		
4.	Commission • As a % of profit • Others, specify		
5.	Others		
	TOTAL (A)		
	Ceiling as per the Act		

#### REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

##### B. Remuneration to other Directors Independent Directors

S. No.	Particulars of Remuneration	Name of Directors	Total Amount (in Rs.)
1.	• Fee for attending Board/Committee Meetings • Commission • Others, please specify	No Director is drawing any remuneration from the Company	
	TOTAL 1		

Other Non-Executive Directors			
S. No.	Particulars of Remuneration	Name of Directors	Total Amount (in Rs.)
2.	<ul style="list-style-type: none"> <li>• Fee for attending Board/Committee Meetings</li> <li>• Commission</li> <li>• Others, please specify</li> </ul>	No Director is drawing any remuneration from the Company	
	TOTAL 2		
	TOTAL (B) = 1+2		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

C. Remuneration To Key Managerial Personnel other Than MD/Manager/WTD

S. No.	Particulars of Remuneration	Company Secretary	Chief Officer	Financial
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,49,597	--	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8055	--	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	
2.	Stock Option	--	--	
3.	Sweat Equity	--	--	
4.	Commission			
	• As a % of profit	--	--	
	• Others, specify	--	--	
5.	Others, please specify	--	--	
	TOTAL	1,57,652	--	

VI. 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
<b>A. COMPANY</b>					
Penalty			None		
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment			None		
Compounding					



Annexure 3 to Directors' Report

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2015**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members  
M/s Aar Shyam India Investment Company Limited  
L-7, Mezn Floor, Greenpark Extension  
New Delhi-110016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Aar Shyam India Investment Company 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.

We report that:

- a) 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.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

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 31 March, 2015 ('Audit Period') 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2015 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): –
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

- Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Indian Stamp Act, 1899;
  - (vii) Indian Contract Act, 1872;
  - (viii) Income Tax Act, 1961 and indirect tax laws;
  - (ix) Applicable Labour Laws; and
  - (x) Other applicable Laws;

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by Compliance Auditors and Internal Auditors of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India (have not notified hence not applicable to the Company during the audit period).
- Listing Agreements with Stock Exchanges in India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act; Further, few documents / records and/or returns are required to be updated / filed as per the various provisions of the Acts applicable to the Company;
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on the information received and records maintained 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.

For Kundan Agrawal & Associates  
Company Secretaries  
Sd/-  
Kundan Agrawal  
Company Secretary  
Membership No: - F7631  
C.P. No. 8325

Place: Delhi  
Date: 10<sup>th</sup> August, 2015

(Annexure- 4 to Director's Report)  
REPORT ON CORPORATE GOVERNANCE

**Introduction**

Clause 49 of the Listing Agreement executed with the Stock Exchange(s), inter alia, lists down various corporate governance related practices and requirements, which listed companies are required to adopt and follow. This Report outlines the governance practices followed by the Company in compliance with the said requirements of the Listing Agreement.

**Company's philosophy on Code of Corporate Governance**

The principles of Corporate Governance and the Code of Business Conduct & Ethics are the cornerstones of your Company. Your Company has consistently striven to implement best corporate governance practices reflecting its strong value system and ethical business conduct. The Company's philosophy on Corporate Governance envisages attainment of highest levels of transparency, accountability and integrity in the functioning of the Company with a view to create value that can be sustained continuously for the benefit of its stakeholders. All employees are bound by a Code of Conduct that sets forth Company's policies on important issues including our relationship with consumers, shareholders and Government.

**Board of Directors**

The Board of Directors includes the Executive, Non-Executive and Independent Directors so as to ensure proper governance and management.

The Corporate Governance principles of the Company have been formulated to ensure that the Board remains informed, independent and participates actively in the affairs of the Company. The Company also strives to enhance stakeholders' value by taking measures to continuously improve Corporate Governance standards.

The Directors at AAR Shyam India Investment Company Limited possess the highest personal and professional ethics, integrity and values and are committed to represent the long-term interest of the stakeholders.

The Company's Corporate Governance framework is based on having a composition wherein a majority of Directors are Independent Board Members. Further, the constitution of Board Committee meet all statutory requirements of various regulatory authorities including the Reserve Bank of India, SEBI and MCA, and committees are chaired by Independent Directors, wherever required by law. Committees have been suitably constituted for significant and material matters and also have a blend of Executive Management Members to assist the Committees.

The Board plays an effective supervisory role through the above governance framework.

**Composition of the Board**

During the year under review, the Board of Directors of the Company had an optimum combination of Professional and Independent Directors with excellent knowledge and experience in various fields relating to the business activities of the Company.

As at March 31<sup>st</sup>, 2015, the Board of Directors of the Company consisted of, two Independent Directors and one Non-Executive Director.

None of the Directors hold directorship in more than ten public limited companies or act as an Independent Director in more than seven Listed Companies, none of the Directors acts as a member of more than ten or Chairman of more than five Committees as on March 31, 2015 across all public limited companies in which they are Directors.

During the financial year 2014-15, Eight Meetings of the Board of Directors were held on following days: April 30, 2014, May 12, 2014, May 29, 2014, August 04, 2014, September 03, 2014, November 05, 2014, February 14, 2015 and March 28, 2015 with the time gap between any two consecutive Meetings being not more than four months at any point in time.

The details of the number of Board and General Meeting(s) attended by each Director during the year ended March 31, 2015 and Directorship and/or Membership/Chairmanship of the Committees of Board (except private companies, Non Profit companies and foreign companies) held by each of them as on March 31, 2015, are given below:

(a) Composition of the Board:

Name of Director (S/Shri)	Category	No. of Board Meetings during 2014-15	Whether attended	No. of outside Directorships	**No. of committee positions held (including in company)



		Held	Attended	the last AGM		Chairman	Member
Beenu Aggarwal	Non- Executive Director	8	8	Yes	03	0	3
Sahib Singh Gusain	Independent, Non- Executive	4	4	No	08	3	-
Kushal Jain	Independent, Non- Executive	4	0	No	2	0	2
I.K. Gupta@	Non- Executive Director	3	0	No	04	0	-
S.Krishna@@	Non- Executive Director	8	5	No	04	0	-
Sanjay Kumar Gupta@@	Non- Executive Director	8	6	No	09	0	4

\*Mr. Sahib Singh Gusain and Mr. Kushal Jain was appointed on the Board on 03<sup>rd</sup> September, 2015 as Independent Directors

\*\*Mr. Rakesh Babu was appointed as CFO of the Company w.e.f. 28.03.2015

@Mr. L.K.Gupta has resigned as Director of the Company w.e.f. 20<sup>th</sup> May, 2014

@@Mr. S.Krishna and Mr. Sanjay Kumar Gupta has resigned from the directorship of the Company w.e.f. March 28<sup>th</sup>, 2015

# Committee positions of only of Audit Committee and the Stakeholders Relationship Committee have been considered as per sub-clause II(D)(2) of Clause 49 of the Listing Agreement with stock exchange.

(b) **Number of Board Meetings:**

During the financial year 2014-15, Eight (8) Board Meetings were held on 30<sup>th</sup> April, 2014, May 12, 2014, May 29, 2014, August 04, 2014, September 03, 2014, November 05, 2014, February 14 2015, and March 28, 2015. The maximum interval between any two meetings was not more than 4 months.

(c) **Information supplied to the Board:**

The Board of Directors has complete access to any information within the Company. At the Board Meetings, directors are provided with all relevant information on important matters, working of the Company as well as all related details that require deliberations by the members of the Board.

Information regularly provided to the Board inter-alia include:

- Annual operating plans, budgets & updates;
- Expansion/capital expenditure plans & updates;
- Production, sales & financial performance data;
- Business-wise operational review;
- Quarterly and annual financial results with segment-wise information;
- Minutes of the meetings of the Audit and other committees as well as circular resolutions passed;
- Significant initiatives and developments relating to labour/human resource relation and/or problems and their proposed solutions;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary;
- Materially important show cause/demand/prosecution/penalty notices and legal proceedings by or against the Company;
- Fatal or serious accidents or dangerous occurrences;
- Material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- Non-compliances of any regulatory or statutory provision or listing requirement on non-payment of dividend or delay in share transfers;
- Compliance reports of all laws applicable to the Company;



- Details of any joint-venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Proposals for investments, divestments, loans, guarantees, mergers and acquisitions;
- Sale of material nature of investments, subsidiaries and assets which is not in the normal course of business;
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement;
- Any other information which is relevant for decision-making by the Board.

**(d) Induction & Familiarization Programs for Independent Directors:**

On appointment, the concerned Directors is issued a letter of Appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization programme. The programs aim to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc.

**(e) Performance Evaluation:**

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board during the year adopted a formal mechanism for evaluation of its performances as well as that of its committees and individual Directors, including the Chairman of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**(f) Independent Directors' Meeting:**

In compliance with Section 149(8) of the Companies Act, 2013, read along with Schedule IV of the Companies Act, 2013 and Clause 49 (II)(B)(6) of the listing agreement with the stock exchange, the Independent Directors met on March 28, 2015, inter alia, to discuss:

- a) Evaluation of the performance of non- Independent Directors and the Board as a whole;
- b) Evaluation of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- c) Evaluation of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

**(g) Code of Conduct:**

The Board of Directors of the Company has adopted Code of Business Conduct & Ethics. This Code is based on three fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary conduct and is applicable to all the Directors and senior management personnel.

In terms of the requirements of Clause 49 of the Listing Agreement, the Code of Business Conduct & Ethics, as approved by the Board of Directors, has been displayed at the website of the company, [www.aarshyam.in](http://www.aarshyam.in). All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2015 and a declaration to that effect signed by the Chairman & Managing Director is attached and forms part of this report.

**(h) Declaration regarding compliance of Code of Conduct:**

All the Board Members and senior management personnel of the Company have affirmed compliance of the Code of Conduct for the year ended 31st March, 2015. A declaration to that effect signed by the Chairman & Managing Director is attached and forms part of the Annual Report of the Company.

#### Committees of the Board

Under the aegis of the Board of Directors, several committees have been constituted which have been delegated powers for different functional areas. The Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee have been constituted pursuant to and in accordance with the provisions of Listing Agreement, rules & regulations prescribed by Reserve Bank of India read with requirements of the Companies Act, 2013 and other applicable laws.

#### (a) Audit Committee

##### Terms of Reference

The terms of reference of the Audit Committee has been revised in compliance with Companies Act, 2013 and revised Clause 49 of Listing Agreement as amended from time to time. In addition to the matters provided in Clause 49 of the Listing Agreement and requirements of Section 177 of the Companies Act, 2013 and Reserve Bank of India, the Committee reviews the reports of the Internal Auditors, periodically meets the Statutory Auditors of the Company and discusses their findings observations, suggestions, scope of audit etc. and also reviews internal control systems and accounting policies followed by the Company. The Committee also reviews the financial statements with the management, before their submission to the Board.

The terms of reference of the Audit Committee of the Board of Directors of the Company, inter alia includes;

1. Overseeing the Company's financial reporting process and reviewing with the management, the financial statement before submission to the Board for approval;
2. Recommending to the Board the appointment, re-appointment and replacement of the Statutory Auditor and fixing their fees;
3. Reviewing the internal audit function of the Company; and
4. Such other matters as specified under Clause 49 of the Listing Agreement and requirements of Section 177 of the Companies Act, 2013 and Reserve Bank of India or as may be delegated by the Board of Directors of the Company.

##### Composition and Attendance of Meeting:

The Audit Committee comprises of following three Members and two of them are Independent Directors:

- Mr. Sahib Singh Gussain - Chairman
- Mr. Kushal Jain- Member
- Ms. Beenu Aggarwal - Member

All the Members of the Committee have vast experience and knowledge of finance, accounts and corporate laws with the Chairman of the Committee being an eminent Chartered Accountant, who has finance, accounting and taxation related expertise.

The quorum for the Meeting of the Audit Committee is as per applicable laws.

During the financial year 2014-15, Audit Committee met Five (5) times and the attendance of the Directors on the above meetings was as follows:-

Director	No. of meetings held	No. of meetings attended
Mr. Sahib Singh Gussain	3	3
Mr. Kushal Jain	3	0
Ms. Beenu Aggarwal	5	5

\*Mr. Sahib Singh Gussain and Mr. Kushal Jain were appointed on the Board on 03<sup>rd</sup> September, 2015 as Independent Directors

@Mr. I.K.Gupta has resigned as Director of the Company w.e.f 20<sup>th</sup> May, 2014

@@Mr. S.Krishna and Mr. Sanjay Kumar Gupta has resigned from the directorship of the Company w.e.f. March 28<sup>th</sup>, 2015

The Managing Director, Executive Director and other senior executives (when required) are invited to the meetings. Representatives of the statutory auditors and internal auditors are also invited to the meetings, when required. All the meetings are attended by the statutory auditors.

The Company Secretary acts as the Secretary of the Committee.

Mrs. Beenu Aggarwal, member of the Audit Committee was present at the last AGM of the Company.

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors.

#### **Whistle Blower Policy**

The Company has been formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company.

This Policy covers malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activity on account of which the interest of the company is affected and formally reported by whistle blowers. This Policy is intended to encourage and enable employees to raise serious concerns within the Company prior to seeking resolution outside the company.

The purpose and objective of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the employees wishing to raise a concern about serious irregularities within the Company. The Company encourages its directors and employees who have genuine concern about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and directors to avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

This policy, however, neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and/ or colleagues in general. It is affirmed that no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy of the Company has been uploaded and can be viewed on the Company's website [www.aarshyam.in](http://www.aarshyam.in).

#### **(b) Nomination and Remuneration Committee:**

In compliance with Section 178 of the Companies Act, 2013, read along with the applicable Rules thereto and Clause 49 under the Listing Agreement, the Board has renamed the existing "Remuneration Committee" as "Nomination and Remuneration Committee" and reconstituted the same consisting of 3 Non-Executive Directors, including Chairman, as Independent Directors.

The objective of this Policy is to lay down a framework and set standards in relation to nomination, remuneration and evaluation of Directors, Key Managerial Personnel (KMP) and such other senior management personnel as may be prescribed so as to achieve a balance of merit, experience and skills in the organization.

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

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial
- b) Personnel and senior management personnel;
- c) To evaluate the performance of the members of the Board as well as Key Managerial Personnel and senior management personnel and to provide rewards linked directly to their efforts, performance, dedication and achievement relating to Company's operations;
- d) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
- e) Assessing the independence of Independent Directors;
- f) To make recommendation to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of the Managing/Whole-Time Directors, subject to the provision of law and their service contract;
- g) To retain, motivate and promote talent and to ensure long term sustainability of talented management personnel and create competitive advantage;
- h) To devise a policy on Board diversity;
- i) To develop a succession plan for the Board and to regularly review the plan.



The Nomination & Remuneration Committee comprised of the following directors of the Company:

Name	Designation	Whether Independent or Not
Mr. Sahib Singh Gusain	Chairman	Yes
Mr. Kushal Jain	Member	Yes
Mrs. Beenu Agarwal	Member	No

During the financial year 2014-15, the Nomination & Remuneration Committee met twice (2) times, on 17<sup>th</sup> October, 2014 and 28<sup>th</sup> March, 2015. The attendance of the members of the Committee was as follows:-

Director	No. of meetings held	No. of meetings attended
Mr. Sahib Singh Gusain	2	2
Mr. Kushal Jain	2	0
Mrs. Beenu Agarwal	2	2

#### Appointment & Remuneration Policy:

##### A. Policy for appointment and removal of directors, KMP and senior management personnel

##### (i) Appointment Criteria and Qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior management personnel and recommend to the Board his/her appointment.

b) A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Managing/Whole-time Director who has attained the age of seventy years, provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

##### (ii) Term/Tenure

##### a) Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Non-Executive Chairman, Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto a maximum of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided that the Independent Director shall not, during the said period of three years be appointed in or be associated with the Company in any other capacity, either directly or indirectly.



At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**c) Evaluation**

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and senior management personnel at regular intervals.

**(iii) Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules & Regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or senior management personnel subject to the provisions and compliance of the said Act, Rules & Regulations.

**(iv) Retirement**

The Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP and senior management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**B. Policy for remuneration to directors, KMP and senior management personnel**

**(i) Remuneration to Managing/Whole-time Directors, KMP and senior management personnel**

The remuneration/ compensation/ commission etc. to be paid to Managing/Whole-time Directors shall be governed as per provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time-being in force.

**(ii) Remuneration to Non-Executive/ Independent Director**

The non-executive Independent /Non-Independent Director may receive remuneration/ compensation/ commission as per the provisions of the Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

**C. Details of remunerations paid to the Directors during the financial year 2014-15:**

None of the Directors is getting remuneration from the Company.

**(c) Risk Management Committee:**

The revised Clause 49 of the Listing agreements mandates constitution of the Risk Management Committee. The Company has a risk management programme which comprises of a series of processes, structures and guidelines to assist the Company to identify, assess, monitor and manage its business risks, including any material changes to its risk profile.

The objective and scope of the Risk Management Committee broadly comprises:

- Oversight of the risk management performed by the executive management;
- Review of the risk management policy in line with legal requirements and SEBI guidelines;
- Reviewing risks and initiating mitigation actions;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

During the financial year 2014-15, the Risk Management Committee met once on 28<sup>th</sup> March, 2015. The Risk Management Committee comprised of the following directors of the Company:

Name	Designation	Whether Independent or Not
Mr. Sahib Singh Gusain	Chairman	Independent
Ms. Beenu Aggarwal	Director	Non-Independent

### Annual General Meetings

The last three Annual General Meetings of the Company were as under:

Financial Year	Date	Time	Place
2011-12	14.09.2012	10.00 a.m.	40-41, Community Centre, Friends Colony, New Delhi-110065
2012-13	27.09.2013	05.00 p.m.	40-41, Community Centre, Friends Colony, New Delhi-110065
2013-14	30.09.2014	10.00 a.m.	40-41, Community Centre, Friends Colony, New Delhi-110065

### Disclosures

- (i) There were no transactions of material nature with the directors or the management or their subsidiaries or relatives etc. during the year that had potential conflict with the interests of the Company at large. The details of related party transactions have been reported in the Notes to Accounts.
- (ii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.
- (iii) The Company has been formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the details are provided in point no. 2 (a) of this report.
- (iv) The Company has well-defined Risk Management Policies for each of the businesses, duly approved by the Board, which are periodically reviewed to ensure that the executive management controls risk by means of a properly defined framework.
- (v) The Company has not raised any funds from the capital market (public/rights/preferential issues etc.) during the financial year under review.
- (vi) There was no instance of non-compliance of any matter relating to the capital markets by the Company. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI or any other statutory authorities on any matter relating to the capital market during the last three years.
- (vii) The details of the equity shares of the Company held by the Directors as on 31st March, 2015 are as under:

S.No.	Name of the Director	No. of shares held
1	Ms. Beenu Aggarwal	Nil
2	Mr. Kushal Jain	Nil
3	Mr. Sahib Singh Gussain	Nil

- (viii) The Company is complying with all mandatory requirements of Clause 49 of the listing agreements.

#### Means of communication

The Quarterly, Half Yearly and Annual Results are communicated to the DSE Limited, where the Company's shares are listed as soon as they are approved and taken on record by the Board of Directors of the Company. Further, the quarterly and half-yearly results are published in leading newspapers such as 'Deccan Herald' (English) and 'Haribhoomi' (Hindi). The results are not sent individually to the shareholders. The financial results are also displayed on the web-site of the Company at [www.aarshyam.in](http://www.aarshyam.in).

Pursuant to circular no. CIR/CFD/DIL/10/2010 dated 16<sup>th</sup> December, 2010 issued by Securities & Exchange Board of India (SEBI), the Company has maintained website namely [www.aarshyam.in](http://www.aarshyam.in) providing the basic information about the Company such as details of our business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The information provided on the website is being updated regularly.

The Company has an Investor Grievance Cell in the Share Department to redress the grievances/queries of the shareholders. In order to redress shareholders' queries and grievances, the Company has a separate e-mail ID [info@aarshyam.in](mailto:info@aarshyam.in)

#### Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Directors' Report.

#### Auditors' Certificate on Corporate Governance

A certificate has been obtained from the Auditors of the Company regarding compliance with the provisions relating to Corporate Governance laid-down in Clause 49 of the Listing Agreement with the stock exchanges. The same is annexed to this report.

#### CFO/CFO Certification

The CMD and the CFO have issued certificate pursuant to the provisions of Clause 49 of the listing agreement certifying that the financial statements do not contain any untrue statements and these statements represent a true and fair view of the Company's' affair. The said certificate is annexed and forms part of the Annual Report.

#### GENERAL SHAREHOLDERS INFORMATION

- Annual General Meeting:

Date	30th September, 2015
Time	10.00 a.m
Venue	L-7, Menz Floor, Greenpark Extension New Delhi-110019

- Financial Calendar 2015-16 (Tentative):

#### Board Meetings to take on record

Financial results for Quarter ended 30.06.2015	Second week of September, 2015
Financial results for Quarter ended 30.09.2015	Second week of November, 2015
Financial results for Quarter ended 31.12.2015	Second week of February, 2016
Financial results for Quarter/year ended 31.03.2016	Last week of May, 2016

Book Closure Date	24 <sup>th</sup> September 2015 to 30 <sup>th</sup> September, 2015 (both days inclusive)
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- Listing:**

Sl. No.	Name & address of stock exchanges
1	CSE Limited 4, Lyons Range, Dalhousie, Murgighata, B B D Bagh, Kolkata, West Bengal 700001

The Company has already paid annual listing fee for the year 2015-16 to the stock exchange.

- Share Transfer Agents and Demat Registrar:**

The Company has appointed M/s MAS Services Ltd., New Delhi as the Registrar & Share Transfer Agents for handling both physical share registry work and demat share registry work having their office at:

**Mas Services Limited**  
T-34, 2nd Floor, Okhla Industrial Area,  
Phase - II,  
New Delhi - 110 020  
Ph:- 26387281/82/83  
Fax:- 26387384  
email:- [info@masserv.com](mailto:info@masserv.com)  
website : [www.masserv.com](http://www.masserv.com)

- Share Transfer System:**

The transfers are normally processed within a period of 15 days from the date of receipt if the documents are complete in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 15 days. The connectivity with NSDL & CDSL is maintained through M/s MAS Services Ltd. The Shareholders have the option to open account with any of the depository participants registered with CDSL and NSDL. In the case of off-market/private transactions involving transfer of shares in physical form, SEBI has made mandatory for the transferee(s) to furnish copy of PAN card to the company/RTA. The shareholders/investors are advised to comply with the same while filing transfer documents with the company/RTA.

- Distribution of Equity Shareholding:**

(a) **Shareholding Pattern as on 31st March, 2015**

Category	No. of shareholders	No. of shares	% of shareholding
<b>Promoter holding</b>			
Individuals/HUF	-	-	-
Bodies Corporate	1	257440	8.581
<b>Total Promoter holding</b>	<b>1</b>	<b>257440</b>	<b>8.581</b>
<b>Non-promoter holding</b>			
Institutions/banks	-	-	-
Bodies Corporate	7	1482560	49.419



Individuals	160	1260000	42.00
NRIs/OBCs	-	-	-
Clearing members	-	-	-
Others (Pakistani Shareholder)	-	-	-
<b>Total Non-promoter holding</b>	<b>167</b>	<b>2742560</b>	<b>91.419</b>
<b>Total</b>	<b>168</b>	<b>3000000</b>	<b>100</b>

(b) Distribution of shareholding as on 31st March, 2015

No. of Share held	Shareholders		Shares held	
	Number	Percentage	Number	Percentage
1 TO 5000	150	89.286	14070	0.469
5001 TO 10000	1	0.595	930	0.031
10001 TO 20000	0	0	0	0
20001 TO 30000	0	0	0	0
30001 TO 40000	0	0	0	0
40001 TO 50000	0	0	0	0
50001 TO 100000	0	0	0	0
100001 AND ABOVE	17	10.119	2985000	99.5
<b>Total</b>	<b>168</b>	<b>100.00</b>	<b>3000000</b>	<b>100.00</b>

• Dematerialization of Shares:

The Company has entered into an agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited to offer depository services to the shareholders. As on March 31, 2015, 9,75,000 equity shares equivalent to 32.50% of the shares of the Company have been dematerialized. All the shares held by the promoters of the Company are in dematerialized form.

• Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

• Outstanding GDR's/ADR's/Warrants etc.:

Not Applicable

• Address for correspondence:

(a) Regd. Office:

AAR Shyam India Investment Company Limited,  
L-7, Mezn Floor, Greenpark Extension,  
New Delhi-110019  
Email : [info@aarshyam.in](mailto:info@aarshyam.in)  
Website: [www.aarshyam.in](http://www.aarshyam.in)

(b) Corporate Office:

L-7, Mezn Floor, Greenpark Extension,  
New Delhi-110019  
Email : [info@aarshyam.in](mailto:info@aarshyam.in)  
Website: [www.aarshyam.in](http://www.aarshyam.in)

(c) *Registrar & Share Transfer Agent:*

Mas Services Limited

T-34, 2nd Floor, Okhla Industrial Area,

Phase - II, New Delhi - 110 020

Ph:- 26387281/82/83

Fax:- 26387384

email:- [info@masserv.com](mailto:info@masserv.com)

Website: [www.masserv.com](http://www.masserv.com)

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants.

For and on behalf of  
AAR Shyam India Investment Company Limited

Sd/-  
Simran Kaur  
Company Secretary

Place: New Delhi  
Dated: 14<sup>th</sup> August, 2015

AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of AAR Shyam India Investment Company Limited

We have examined the compliance of the conditions of Corporate Governance by AAR Shyam India Investment Company Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2015, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company.

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.

Place : Delhi  
Dated: 10<sup>th</sup> August, 2015

Sd/-  
For Kundan Agrawal & Associates  
Company Secretaries  
C.P. No. 8325

**Declaration Regarding Code of Conduct**

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Sd/-

(Rakesh Babu)

CEO

Place : New Delhi

Date : August 14<sup>th</sup>, 2015



M. D./CFO Certification

The Board of Directors

**AAR Shyam India Investment Company Limited**

We have reviewed the financial statements and the cash flow statement of AAR Shyam India Investment Company Limited for the year ended 31st March, 2015 and that to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current 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 in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of 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 steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
- i) significant changes, if any, in the internal control over financial reporting during the year.
  - ii) significant changes, if any, in accounting policies made during the year and that 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.

Yours sincerely

Sd/-  
(Dinesh Kumar)  
Chief Financial Officer

Sd/-  
(Rakesh Babu)  
CEO

Place : New Delhi  
Date : August 14<sup>th</sup>, 2015

## Independent Auditor's Report

To the Members of  
AAR SHYAM INDIA INVESTMENT COMPANY LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of AAR SHYAM INDIA INVESTMENT COMPANY LIMITED, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The management and Board of Directors of the company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances; but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2015, its profit and its cash flows for the year ended on that date

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") 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 statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we further 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 purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and 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 applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:;
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise

PLACE: NEW DELHI  
DATE: MAY 30, 2015

FOR VIPIN AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS  
FRN NO.014454N



A handwritten signature in black ink, appearing to be "Vipin Aggarwal".

(VIPIN AGGARWAL)  
PARTNER  
MEMBERSHIP NO. 016544

The Annexure referred to in our Independent Auditors Report to the members of AAR SHYAM INDIA INVESTMENT COMPANY LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2015.

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

- (i) (a) The Company is does not own any fixed assets so this paragraph is not applicable to the company.
- (ii) (a) The Company is does not own any so this paragraph is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the paragraph 3(iii) of the order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- (v) The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013
- (vi) As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2015 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.  
(c) There has not been an occasion in case of the company during the year under report to transfer any sums to the Investors Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.





- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on information and explanations given to us by the management, no term loans were obtained by the Company.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit..

PLACE: NEW DELHI  
DATE: MAY 30, 2015

FOR VIPIN AGGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN NO.014454N



*Vipin Aggarwal*  
(VIPIN AGGARWAL)  
PARTNER

MEMBERSHIP NO. 016544

**AAR SHYAM INDIA INVESTMENT COMPANY LIMITED**

Balance Sheet as at 31st March 2015

(Amount in Rs.)

Particulars	Note	As at	
		31-03-2015	31-03-2014
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	2	30000000	9900000
Reserves and surplus	3	4601304	4599214
		34601304	14499214
<b>Current liabilities</b>			
Short-term borrowings	4	3900000	-
Other current liabilities	5	75288	58174
Short-term provisions	6	7264	-
<b>TOTAL</b>		<b>38583856</b>	<b>14557388</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current investments	7	12908011	13770968
<b>Current assets</b>			
Trade receivable	8	61277	29310
Cash and cash equivalents	9	1584579	657932
Short Term Loan & Advances	10	23925413	0
Other current assets	11	104576	99178
		25675845	786420
<b>TOTAL</b>		<b>38583856</b>	<b>14557388</b>
Accompanying notes 1 to 15 form part of the financial statements.			

As per our report of even date  
For Vipin Aggarwal & Associates  
Chartered Accountants  
Firm No. 014454N



(Vipin Aggarwal)  
Partner  
Membership No. 016544

Place : New Delhi  
Dated : 30th May 2015.

For and on behalf of the Board of Directors

*Beenu*  
Beenu Agarwal  
Director  
DIN No. 00056062

*Sau*  
Sahib Singh Gusain  
Director  
DIN No. 00649786

*Dinesh*  
Dinesh Kumar  
CFO

*Rakesh*  
Rakesh Babu  
CEO

*Simran*  
Simran Kaur  
Company Secretary

**AAR SHYAM INDIA INVESTMENT COMPANY LIMITED**  
Statement of Profit and loss for the year ended 31st March 2015

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2015	For the year ended 31st March 2014
Revenue from operations	12	543575	83655
Other Income	13	523808	0
<b>Total Revenue</b>		<b>1067383</b>	<b>83655</b>
Expenses:			
Employee Benefit Expenses	14	137097	0
Other expenses	15	905706	57279
<b>Total expenses</b>		<b>1042803</b>	<b>57279</b>
<b>Profit /(Loss) before tax</b>		<b>24580</b>	<b>26376</b>
Tax expense:			
Current tax		22490	8,150
<b>Profit /(Loss) for the period</b>		<b>2090</b>	<b>18226</b>
Earnings per equity share of Rs 10 each:			
(1) Basic		0.00	0.02
(2) Diluted		0.00	0.02
Accompanying notes 1 to 15 form part of the financial statements			

As per our report of even date  
For Vipin Aggarwal & Associates  
Chartered Accountants



(CA Vipin Aggarwal)  
Partner  
Membership No. 016544

Place : New Delhi  
Dated : 30th May 2015

For and on behalf of the Board of Directors

*Beenu Aggarwal*  
Beenu Aggarwal  
Director  
DIN No. 00056062

*Sahib Singh Gusain*  
Sahib Singh Gusain  
Director  
DIN No. 00649786

*Dinesh Kumar*  
Dinesh Kumar  
CFO

*Rakesh Babu*  
Rakesh Babu  
CEO

*Simran Kaur*  
Simran Kaur  
Company Secretary

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

	For the year ended 31.3.2015 (Rs.)	For the year ended 31.3.2014 (Rs.)
<b>A, CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	24580	26376
adjustments for :		
Interest Income	-92,475	(54155)
Dividend Income	-600	0
Provision reversed for diminution of Investm	-820	(54155)
Operating profit before working capital changes	(69315)	(27779)
Ajustments for :		
Increase in Trade and other receivable	(31967)	-29,310
Increase in short Term Loan & Advances	(23925413)	
Increase in other current assets	(5398)	
Increase in Trade and other payables	17114	
Increase in short term borrowings	7264	20175
Cash generated from operations	(24007715)	(36914)
Interest Income	92475	61593
Dividend Income	600	0
Direct taxes refund/(paid)	(22490)	2605
Cash flow from operating activities	(23937130)	27284
<b>B, CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of Investments	863,777	0
<b>C, CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital	20,100,000	-
Increase in unsecured Loan	3,900,000	-
	926647	27284
Opening cash and cash equivalents	657932	630648
Closing cash and cash equivalents	1584579	657932

Accompanying notes 1 to 15 form part of the financial statements

In terms of our report of even date attached  
For Vipin Aggarwal & Associates  
Chartered Accountants



Place : New Delhi  
Dated : 30th May 2015

*Beenu*  
Beenu Agarwal  
Director  
DIN No. 00056062

*Sahib*  
Sahib Singh Gusein  
Director  
DIN No. 00649786

*Dinesh*  
Dinesh Kumar  
CFO

*Rakesh*  
Rakesh Babu  
CEO

*Simran*  
Simran Kaur  
Company Secretary



2. Share capital

(Amount in Rs.)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	3,500,000	35,000,000	1,000,000	10,000,000
	3,500,000	35,000,000	1,000,000	10,000,000
<b>Issued, Subscribed &amp; Paid up Capital</b>				
Equity Shares of Rs.10/- each	3,000,000	30,000,000	990,000	9,900,000
<b>Total</b>	3,000,000	30,000,000	990,000	9,900,000

(i)

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Reconciliation of Number of Shares Outstanding at the Beginning and at the End of the Reporting Period:</b>		
Balance at the beginning of the reporting period	990,000	990,000
Add: Shares issued during the year	2,010,000	0
<b>Balance at the end of the year</b>	<b>3,000,000</b>	<b>990,000</b>
<b>Reconciliation of Number of Share Capital Outstanding at the Beginning and at the End of the Reporting Period:</b>		
Balance at the beginning of the reporting period	9,900,000	9,900,000
Add: Share Capital issued during the year	20,100,000	0
<b>Balance at the end of the year</b>	<b>30,000,000</b>	<b>9,900,000</b>

- (i) The details of shareholder holding more than 5% shares as at March 31, 2015 and March 31, 2014 are set out below  
**Equity Shareholders**

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
EIRENE BUSINESS SOLUTION PRIVATE LIMITED	350000	11.67	0	0.00
NUGGET STEEL TRADING PRIVATE LIMITED	350000	11.67	0	0.00
VYAAS VYAPAAR PRIVATE LIMITED	350000	11.67	0	0.00
K K MODI INVESTMENT AND FINANCIAL SERVICES PVT L	257440	8.58	400000	40.40
DEEPA AGGARWAL	200000	6.67	0	0.00
MURARI MOHAN BANIA	200000	6.67	0	0.00
PUSPA LAHARI	200000	6.67	0	0.00
SWAPAN KUMAR GHOSH (HUF)	200000	6.67	0	0.00
SANJIB BERA	160000	5.33	0	0.00
SHASHANK TRADERS LTD.	0	0.00	285000	28.79
TREND AGENCIES PVT. LTD.	0	0.00	94000	9.49
AZURE PRODUCTS PVT. LTD.	0	0.00	89000	8.99
NARAYAN SALES PVT. LTD.	0	0.00	67000	6.77

- (ii) The company has one class of equity shares having a par value of INR 10/- per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each shareholder is eligible for one vote per share held.



3. Reserves and surplus

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Special Reserve		
Opening Balance	50,000	50,000
(+) Current year transfer	-	-
Closing Balance	50,000	50,000
Statutory Reserve *		
Opening Balance	1,231,847	1,231,847
(+) Current Year Transfer	-	-
Closing Balance	1,231,847	1,231,847
Surplus		
Opening balance	3,317,367	3,299,141
(+) Net Profit/(Net Loss) For the current year	2,090	18,226
Closing Balance	3,319,457	3,317,367
<b>Total</b>	<b>4,601,304</b>	<b>4,599,214</b>

\* Statutory reserve created under section 45-IC of the Reserve Bank of India Act, 1934

4. Short-term borrowings

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
<u>Unsecured:</u>		
Other Loans and Advances	3,900,000	-
<b>Total</b>	<b>3,900,000</b>	<b>-</b>

5. Other current liabilities

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Audit fee payable	22,472	8,427
Expenses payable	49,541	49,747
TDS Payable	3,275	-
<b>Total</b>	<b>75,288</b>	<b>58,174</b>

6. Short-term provisions

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Provision for Income tax (net of TDS)	7,264	-
<b>Total</b>	<b>7,264</b>	<b>-</b>



7. Non-current investments

(Amount in Rs.)

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs.	Rs.
Investments - Other		
Investment in Equity instruments	5,208,011	771,788
Investment in Preference instruments	7,700,000	13,000,000
<b>Total</b>	<b>12,908,011</b>	<b>13,771,788</b>
Less: Provision for diminution in the value of Investments	-	820
<b>Total</b>	<b>12,908,011</b>	<b>13,770,968</b>

Particulars	As at 31 March 2015	As at 31 March 2014
	Aggregate amount of quoted investments	5,208,011
Aggregate amount of unquoted investments	7,700,000	12,999,180
<b>Total</b>	<b>12,908,011</b>	<b>13,770,968</b>
Market value of quoted investments	2,600,425	2,617,908



## 7.1 Details of Other Non-Current Investments:

Sr. No.	Name of the Body Corporate	Face value per share	No. of Share / Unit		(Amount in Rs.)	
			As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
(a)	Investment in Equity Instruments - Quoted, fully paid up					
	Aadhaar Venture India Ltd.	10	7,000,000	-	1,362,690	-
	Allied Computes International Ltd	10	8,500,000	-	857,565	-
	Luminaire Technologies Ltd	10	635,000	-	1,475,768	-
	NECC Ltd.	10	18,500	-	1,511,988	-
	Modi Industries Ltd.	10	-	97,312	-	291,936
	Premium Merchants Ltd.**	10	-	135,000	-	438,750
	Bharat Hotels Ltd.	10	-	400	-	12,200
	Subrose Limited	10	-	980	-	28,902
	Total (a)				5,208,011	771,788
(b)	Investment in Preference Instruments- Unquoted					
	Premium Merchants Ltd.**	10	-	250,000	-	2,500,000
	K.K.Modi Investment and Financial Services Pvt. Ltd.*	10	450,000	450,000	4,500,000	4,500,000
	Premium Tradelinks Private Limited	10	320,000	600,000	3,200,000	6,000,000
	Total (b)				7,700,000	13,000,000
	Total (a + b)				12,908,011	13,771,788

\* Holding Company -ceased to be Holding Company w.e.f. 26/11/2014

\*\* Fellow Subsidiary -ceased to be fellow subsidiary w.e.f. 26/11/2014





8. Trade receivables

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Trade Receivable Unsecured, considered good outstanding for a period exceeding six months	-	-
Others	61,277	29,310
	61,277	29,310

9. Cash and cash equivalents

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Cash on hand	99	99
Balances with banks In current accounts	318,481	40,833
In fixed deposits	1,266,000	617,000
	1,584,579	657,932

10. Short Term Loan & Advances

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Unsecured, considered good Loans and Advances to related parties	-	-
Others	23,925,413	-
	23,925,413	-

11. Other current assets

Particulars	(Amount in Rs.)	
	As at 31 March 2015	As at 31 March 2014
Interest accrued on Advances	6,472	685
Tax Refundable (net of provision)	98,103	98,493
	104,576	99,178

12. Revenue from operations

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2015	For the year ended 31st March 2014
Interest income	92,475	54,155
Dividend income	600	-
Processing Income	280,000	-
Professional service Fees	150,000	-
Financial Consultancy fees	20,500	29,500
Total	543,575	83,655



## 13. Other Income

(Amount in Rs.)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Provision for Diminution of Investment write back	820	-
Long Term Capital Gain-Shares	376,988	-
Sale of Material	146,000	-
<b>Total</b>	<b>523,808</b>	<b>-</b>

## 14. Employee Benefit Expenses

(Amount in Rs.)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Salary	137,097	-
<b>Total</b>	<b>137,097</b>	<b>-</b>

## 15. Other expenses

(Amount in Rs.)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
Advertisement expenses	30,226	28,304
Audit fees	22,472	9,427
Annual Custodian Charges	6,742	-
Bank charges	1,569	620
Conveyance Charges	1,530	-
Demat charges	5,270	-
Internal Audit fees	2,000	-
Listing fees	51,124	5,618
Material Purchase	95,760	-
Los on sale of shares	194,280	-
Filing fees	345,160	2,000
Miscellaneous Amount written off	751	-
Miscellaneous Expenses	6,540	-
Postage expenses	4,039	1,260
Professional charges	68,755	10,050
Subscription Charges	65,598	-
Telephone Charges	3,891	-
<b>Total</b>	<b>905,706</b>	<b>57,279</b>



**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**AAR SHYAM INDIA INVESTMENT COMPANY LIMITED**

We have examined the compliance of conditions of corporate governance by Aar Shyam India Investment Company Limited for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement 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 the 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 abovementioned Listing Agreement, in all material respects.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investor Grievance Committee.

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 VIPIN AGGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN NO. 014454N

PLACE: NEW DELHI

DATE: 30.05.2015

  
(VIPIN AGGARWAL)  
PARTNER  
MEMBERSHIP NO. 016544

Note No. : 1

(A) SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation of Financial Statements

The Financial Statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India.

The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

GAAP comprises applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, relevant applicable provisions of the Companies Act, 1956, and Companies Act, 2013 to the extent applicable and the applicable guidelines issued by Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2 Use of estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets, liabilities and disclosures relating to contingent liabilities as at the date of the Financial Statements and reported amounts of revenue and expenses during the period. Actual results might differ from the estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialise.

3 Revenue recognition

Revenue is recognised in the books of account on accrual basis.

4 Expenses

All the expenses are accounted for on accrual basis.

5 Investments

Long term investments are valued at cost unless there is a decline in value other than temporary. Current investments are stated at lower of cost or fair value.

6 Current/Non Current Assets and liabilities

Assets are classified as Current when it satisfies any of the following criteria:

- a) It is expected to be realised within 12 months from the reporting date.
- b) It is held for trading purpose.

All other assets are classified as Non-Current

Liabilities are classified as Current when it satisfies any of the following criteria:

- a) It is expected to be settled within 12 months after the reporting date.
- b) It is held for trading purpose.

All other liabilities are classified as Non-Current





**7 Provisions, contingent liabilities and contingent assets**

A provision is recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable as a result of a past event, and the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by best estimate of the outflow of economic benefits required to settle the obligation at the Balance Sheet date.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Re-imbusement expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imbusement will be received.

A Contingent Asset is neither recognised nor disclosed in the Financial Statements.

**8 Impairment of assets**

The company does not have any fixed assets.

**9 Taxes on income**

Tax expense for the period comprises of current income tax and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

The deferred tax for the timing differences between books and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as on balance sheet date.

**10 Earnings per share**

Basic earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax (including the post-tax effect of extra ordinary items, if any) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented.

**11 Cash flow statement**

Cash flows are reported using the Indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**12 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, cheques in hand, balance with banks on current accounts, fixed deposit and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.



**(B) NOTES TO ACCOUNTS**

**Additional Notes to the Financial Statements**

- (i) The Government of India promulgated the Micro, Small and Medium Enterprises Development Act, 2006, which came into force with effect from October 02, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdues beyond the specified period, irrespective of the terms agreed upon with those suppliers.

There is no interest paid/payable during the year by the Company to the suppliers covered under Micro, Small, Medium Enterprises Development Act, 2006.

The above information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose. However, according to the Company estimates, there is no liability of interest to such suppliers.

- (ii) Managerial remuneration: No remuneration was paid to any director during the relevant year.

(iii) Earning per share	2014-15	2013-14
No. of Equity shares	3,000,000	990,000
Net Profit / (Loss) for the period attributable to equity shares (in rupees)	2,090	18,226
Basic & Diluted earning (in rupees) per shares	0.00	0.02

- (iv) Remuneration to Auditors

	2014-15	2013-14
	Rupees	Rupees
(i) Audit fees	22,472	9,427
	22,472	9,427

- (v) Segment Reporting : based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17), the Company's primary business segment is Hospitality. As the Company's business activity falls within a single primary business segment, the disclosure requirements of AS-17 in this regard are not applicable

- (vi) There is no transaction which is required to be disclosed as required under paragraph 5 (viii) of the general instructions for preparation of statement of Profit and Loss as per Schedule III of the Companies Act, 2013

- (vii) Related Party Disclosures under Accounting Standard (AS-18)

**(a) Names of the Related Parties**

- (i) Where control exists:

- K.K.Modi Investment and Financial Services (P) Limited (KKMIFS) ceased to be holding company w.e.f. 26/11/2014

- The transactions done with KKMIFS during the year are given below,

- (ii) Other related parties with whom there are transactions during the year

- Premium Merchants Limited (PML) ceased to be fellow subsidiary w.e.f. 26/11/2014

- The transactions done with PML during the year are given below.

- (iii) As on the Balance Sheet date, there is no holding or subsidiary or associate of the Company.

**Key Management Personnel**

Mr. Sahib Singh Gusain, Director

Mr. Kushal Jain, Director

Mrs. Beenu Agarwal, Director



(b) Transactions with Related Parties during the year

Description	Amount (Rs)
Sale of shares to KKMIFS	4070526
Sale of shares to PML	1318340

(viii) There are no disputed dues of wealth tax, service tax, income tax which have not been deposited by the Company.

(x) Previous year figures have been regrouped/recast wherever found necessary to make them comparable with those of the current year.

(xi) Balances shown under Trade Receivables, Trade Payables and advances are subject to confirmation and reconciliation with the respective parties.

(xii) Figures are rounded off to nearest Rupee.

As per our report of even date  
For Vipin Aggarwal & Associates  
Chartered Accountants  
FRN :014454N

For and on behalf of the Board of Directors

  
(CA Vipin Aggarwal)  
Membership No. 016544

  
Beenu Agarwal  
Director  
DIN No. 00056062

  
Sahib Singh Gusain  
Director  
DIN No. 00649786

Place : New Delhi  
Dated : 30th May 2015

  
Dinesh Kumar  
CFO

  
Rakesh Babu  
CEO

  
Simran Kaur  
Company Secretary