

CONTENTS

<u>PARTICULARS</u>	<u>PAGE NO.</u>
NOTICE	2-5
CORPORATE INFORMATION	7
MANAGEMENT DISCUSSION AND ANALYSIS REPORT	8
PERFORMANCE & POLICIES OF NBFC SECTOR	9
DIRECTORS REPORT	10-15
REPORT ON CORPORATE GOVERNANCE	26-36
FINANCIAL STATEMENT	46-53
ATTENDANCE SLIP	59
PROXY FORM	60



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Rakesh Babu	Director
Mr. Sahib Singh Gusain	Independent Director
Ms. Beenu Aggarwal	Director
Ms. Reena Gupta	Independent Director

### CHIEF FINANCIAL OFFICER

Mr. Dinesh Kumar

### STATUTORY AUDITORS

M/s STRG & Associates  
348, 1st Floor, Tarun Enclave, Pitampura  
New Delhi- 110088

### REGISTRAR AND SHARE TRANSFER AGENT

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

### REGISTERED OFFICE

L-7, Mezz. Floor, Green Park Extension,  
New Delhi-110016

### INTERNAL AUDITORS

M/s MAKS & CO.  
Shop No. 301, 3rd 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 Indian economy is currently seeing a culmination of positive domestic indicators. Economic growth has picked up and both the government and the World Bank expect it to be well over 7% in FY16 and FY17. The fiscal deficit is on track, as per the target of 3.5%, and retail inflation has dipped to below 5%. Against the backdrop of these encouraging developments, the Reserve Bank of India (RBI) cut its policy rate by 0.25% in its first bimonthly monetary policy for FY17 in April 2016, bringing the rate to its lowest level in five years. The RBI has cut rates to the extent of 1.5% between January 2015 and April 2016. To ensure a boost to investment and consumption, the RBI proposed a number of measures that would facilitate the pass-through of the rate cuts, such as a reduction in reserve requirements of banks and a policy stance to inject adequate liquidity. Two years into its term in office, the current Government has covered considerable ground in terms of reforms, creation of housing and infrastructure and making it easier to do business in India. A number of on the ground schemes were announced in the MSME sector including Aspire - "A Scheme for Promoting Innovation and Rural Entrepreneurship, was launched in March 2015, to set up a network of technology centres and incubation centres to accelerate entrepreneurship and promote start-ups for innovation and entrepreneurship in "agroindustry". New initiatives were also announced under the Prime Minister's Employment Generation Programme (PMEGP) and the Registration Process for MSMEs was eased through the Udyog Aadhaar Memorandum (UAM). Most importantly, the Cabinet approved a proposal for the introduction of the Micro, Small and Medium Enterprises Development (Amendment) Bill, 2015, which aimed at the amendment of the Micro, Small and Medium Enterprises Development Act, 2006. The objective of proposed amendment was to (i) enhance the existing limit for investment in plant and machinery considering changes in price index and cost of inputs consistent with the emerging role of the MSMEs in various Global Value Chains, (ii) include in such classification, the micro or tiny enterprises or the village enterprises, as part of medium enterprises apart from small enterprises so as to enable the aforesaid category of enterprises to avail the benefits and become competitive, and (iii) empower the Central Government to revise the existing limit for investment, by notification, considering the inflation and dynamic market situation. The Government has also made great headway in its mission to promote financial inclusion. The "Jan Dhan Yojana" and other schemes that propose targeted subsidies have been further cemented with the passing of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Bill, 2016.



## PERFORMANCE AND POLICIES OF THE NBFC SECTOR

According to an RBI report<sup>1</sup>, the role of the NBFC sector in the Indian financial system has become critical in terms of its size, spread and niche areas of operation. Many larger NBFCs have become significant contributor to the overall financial system in India. In FY15, there were 11,622 and 220 Deposit-taking NBFCs (NBFC-D) in India with balance sheet sizes of ₹ 14,166 billion and ₹ 1,925 billion, respectively. NBFCNDs have posted a balance sheet growth of more than 15% in 2015 over 2014. A study by the Boston Consulting Group<sup>2</sup>, states that in the 10 year period between 2005 and 2015, the share of NBFCs in credit rose from 10% to 13%. It pointed out that in narrower product segments, such as home loans and commercial vehicle loans, their presence was larger and had grown faster. The share of NBFCs in the home loan segment has increased from 26% to 38% between FY09 and FY15. The growth is not only observed in traditional NBFC domains but also in products like mortgages where commercial banks are active. The credit penetration in India is low compared to other economies. On similar benchmarks, the non-bank finance penetration in India is even lower. NBFC's credit penetration in GDP of India at 13% is significantly behind developed economies like UK (264%), US (130%), Japan (74%) and Non-Deposit-taking NBFCs (NBFC-ND) and also well behind emerging economies like China (33%), Thailand (27%) and Malaysia (26%). Indian economy has a huge latent credit demand fuelled by a massive self-employed population that is underserved by the banks due to inadequate documented income proof. The recent developments in deepening the wholesale debt markets bode well with liquidity for funding for NBFCs. The report also expects that the growth in NBFC credit to further accelerate over the next 5-10 years. Success of NBFCs is attributed to the sharp focus on the product lines leading to better cost control, better customer service and consequently faster growth at higher profitability. In terms of profitability, the average Return on Equity (RoE) of NBFCs have been on a strong footing in recent years even with low leverage riding on unique business models focussed more on the retail segments, control on asset quality, higher turnaround time, better customer service levels and efficient cost control measures. Higher profitability with higher growth has been the key for creating higher shareholders' value. Looking ahead, there are many reasons, as pointed in the study, which will drive the accelerated growth of NBFCs in the medium term. These include: The huge latent credit need in the economy, especially from the self employed and MSME universe. Due to the colossal parallel economy and inadequate income proof by the self-employed, traditional bank lending is unable to cater to credit demands from this segment. Government initiatives like smart cities, focus on ease of doing business, financial inclusion, etc, will fuel the growth of credit offtake for underserved segments and geographies. Digital trends in consumer and MSME will offer new disruptive opportunities for innovation and partnership.



<sup>1</sup> Report on Trend and Progress of Banking in India 2014-2015

<sup>2</sup> NBFC 2.0: Enormous Potential in NonBank Finance and Ways to Make it Happen (December 2015)

## 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, 2016.

### FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2015-16 are given hereunder:

	(Rs)	
	2015-2016	2014-15
Revenue from operations & other income	2,740,930	10,67,383
Operating Profit (EBIDTA)	414,377	24,580
Finance Cost	-	-
Gross Profit (PBD)	-	-
Depreciation & amortization	-	-
Profit before tax	414,377	24,580
Provision for		
- Current Tax (net)	562,318	22,490
- Deferred Tax	(191,267)	-
- MAT Credit entitlement	-	-
- Adjustment for prior period tax/tax on dividend	-	-
Net Profit	43,326	2,090
Balance b/f from previous year	4,601,304	4,599,214
Profit available for appropriation	4,644,630	4,601,304
<b>Appropriation:-</b>		
Balance Carried to Balance Sheet	4,644,630	4,601,304

### DIVIDEND

In order to meet the future requirements of the Company, your Directors have decided not to recommend dividend for the Financial Year 2015-16.

### OPERATIONS

- During the year under review, the revenue from operations increased to Rs.27.40 lacs as against Rs.10.67 lacs in the previous year.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, also forms part of the Annual Report.

## FINANCE

### (i) Share Capital

The paid-up Share Capital as on 31st March, 2016 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.

### (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

During the financial year 2015-16, Four (4) Board Meetings were held on May 30, 2015, August 13, 2015, September 14, 2015, February 12, 2016. The maximum interval between any two meetings was not more than 4 months.

## COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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. Simran Kaur 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. Kushal Jain resigned from the post of Independent Director of the Company. The Board placed on its records her appreciation for the valuable contribution provided by his.

During the year under review, Mr. Shubham Jain resigned from the post of Company Secretary of the Company. The Board placed on its records her appreciation for the valuable contribution provided by his.

**b. Retire by Rotation**

In accordance with Section 152 and other applicable provisions of Companies Act, 2013, Ms. Beenu Aggarwal, being 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**

During the year under review Ms. Reena Gupta (DIN: 06966728) appointed as independent director of the company, W.e.f 10th Day of August, 2016.

**e. Key Managerial Personnel****Appointment**

- During the year under review, Mr. Subham Jain was appointed as Compliance Officer & Company Secretary of the Company w.e.f. 27th May, 2016.
- During the year under review, Mr. Rakesh Babu, Whole Time Director; Mr. Dinesh Kumar, Chief Financial Officer; and Mr. Subham Jain, 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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) Resigned on 10.08.2016
3. Ms. Reena Gupta (DIN : 06966728) Appointed on 10.08.2016

**DIRECTORS' RESPONSIBILITY STATEMENT**

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:

- (i) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) 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, 2016 and of the profit of the Company for the year ended on that date.
- (iii) 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.
- (iv) that the annual financial statements have been prepared on a going concern basis.
- (v) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.



- (vi) 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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 2015-16. 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. STRG & Associates Chartered Accountants, having ICAI Firm Registration No. 014826N auditor of the company audited the annual accounts of the company.

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 2015-16. The Secretarial Audit Report for financial year 2015-16, has been appended as Annexure 2 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, Practicing 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 MAKS & Co. as Internal Auditor for the year 2015-2016.

#### **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 2015-16.

#### **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

Date : 29.08.2016  
Place : New Delhi

Sd/-  
Beenu Aggarwal  
Director  
DIN : 00056062

Sd/-  
Sahib Singh Gussain  
Director  
DIN : 00649786

**ANNEXURE "1" TO DIRECTORS' REPORT**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	:	L67120DL1983PLC015266
ii)	Registration Date	:	24/02/1983
iii)	Name of the Company	:	AAR SHYAM INDIA INVESTMENT COMPANY LIMITED
iv)	Category / Sub-Category of the Company	:	Public Company
v)	Address of the Registered office and contact details	:	L-7, Mezn Floor, Green park Extn., New Delhi-110016
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	<b>Mas Services Limited</b> T-34, 2nd Floor, Okhla Industrial Area, Phase - II New Delhi - 110 020 Tel. : 011-26387281/82/83 Fax : 011-26387384

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Other Credit Granting	64920	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and Address of the company	CIN	% of shares held	Applicable Section
1.	Not Applicable	Not Applicable		

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	

<b>A. Promoters</b>										
<b>1. Indian</b>										
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	257440	-	257440	8.581	257440	-	257440	8.581	-	-
e) Banks / FI	-									
f) Any Other	-									
<b>Sub-total (A) 1</b>	<b>257440</b>	<b>-</b>	<b>257440</b>	<b>8.581</b>	<b>257440</b>	<b>-</b>	<b>257440</b>	<b>8.581</b>	<b>-</b>	<b>-</b>
<b>2. Foreign</b>										
a. NRIs- Individuals		--		--	--	--	--	--	--	--
b. Other- Individuals		--	--	--	--	--	--	--	--	--
c. Bodies Corp.		--	--	--	--	--	--	--	--	--
d. Banks/FI		--	--	--	--	--	--	--	--	--
e. Any Other										
<b>Sub-total (A) 2</b>		--	--	--	--	--	--	--	--	--
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a. Mutual Funds										
b. Banks/FI										
c. Central Govt.	--	--	--	--	--	--	--	--	--	--
d. State Govt (s)										
e. Venture Capital Funds										
f. Insurance Companies										
g. FIs										
h. Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--	--
Others(specify)										
<b>Sub-total (B) 1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>2. Non- Institutions</b>										
a. Bodies Corp.	432560	1050000	1482560	49.419	1720060	-	1720060	57.336	7.917	
b. Individuals										
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	15000	15000	0.500	0	15000	15000	0.500	0.000	

ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	285000	960000	1245000	41.500	1007500	-	1007500	33.583	(7.917)
c. Others									
i. NRI	-	-	-	-	-	-	-	-	-
ii. Clearing Members									
iii. Trust									
Sub-total (B) 2	717560	2025000	2742560	91.419	2727560	15000	2742560	91.419	0.000
Total Public Shareholding (B) =	717560	2025000	2742560	91.419	2727560	15000	2742560	91.419	0.000
(B) 1+(B) 2									
C. Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-
Grand Total (A+B+C)	975000	2025000	3000000	100	2985000	15000	3000000	100	-

## ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	K. K. Modi Investment & Fin Ser Pvt. Ltd.	2,57,440	8.581	-	2,57,440	8.581	-	-

## ii) Shareholding of Promoters

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
	At the beginning of the year	2,57,440	8.581	2,57,440	8.581
	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.)	No change during the year			
	At the End of the year	2,57,440	8.581	2,57,440	8.581

## 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.	Eirene Business Solution Pvt Ltd	3,50,000	11.667	3,50,000	11.667
2.	Nugget Steel Trading Pvt Ltd	3,50,000	11.667	3,50,000	11.667
3.	Vyaas Vyapaar Pvt Ltd	3,50,000	11.667	3,50,000	11.667
4.	Swapan Kumar Ghosh Huf	2,00,000	6.667	2,00,000	6.667
5.	Deepa Agarwal	2,00,000	6.667	2,00,000	6.667
6.	Murari Mohan Bania	2,00,000	6.667	2,00,000	6.667
7.	Puspa Lahari	2,00,000	6.667	2,00,000	6.667
8.	Sanjib Bera	1,60,000	5.333	1,60,000	5.333
9.	Chandrika Infrastructure	1,42,560	4.752	1,42,560	4.752
10.	Adarsh Kumar Gupta	1,42,500	4.750	--	--
11.	Venera Property Pvt Ltd	-	-	1,42,500	4.750

## 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				
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 Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	<b>Mr. Kushal Jain</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 Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	<b>Ms. Simran Kaur</b> 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 Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	<b>Mr. Dinesh Kumar</b> 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	Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	—		—	—	—
ii) Interest due but not paid					
iii) Interest accrued but not due					
<b>Total (i+ii+iii)</b>	--		--	—	—
<b>Change in Indebtedness during the financial year</b>					
• Addition	--		39,00,000		39,00,000
• Reduction				—	
<b>Net Change</b>	--		39,00,000	—	39,00,00
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	--			—	39,00,000
ii) Interest due but not paid					
iii) Interest accrued but not due			39,00,000		
<b>Total (i+ii+iii)</b>	--		39,00,000	—	39,00,000

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		
	<b>TOTAL (A)</b>		
	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.	<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	
	<b>TOTAL 1</b>		

## 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	
	<b>TOTAL 2</b>		
	<b>TOTAL (B) = 1+2</b>		
	<b>Total Managerial Remuneration</b>		
	<b>Overall Ceiling as per the Act</b>		

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

S. No.	Particulars of Remuneration	Company Secretary	Chief Financial Officer
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	1,49,597 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	--	--
	<b>TOTAL</b>	<b>1,57,652</b>	<b>--</b>

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

**Annexure 2 to Directors' Report**  
Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

*[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 South Delhi DL 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, 2016 ('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, 2016 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.  
**(Secretarial Audit Report for F.Y 2015-2016 for M/s AAR Shyam India Investment Company Limited)**
- (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;
- (x) Central Excise and Service Tax Act;
- (x) Central and State Sale Tax/Value Added Tax Laws;
- (xi) Applicable Labour Laws; and
- (xii) 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.

(Secretarial Audit Report for F.Y 2015-2016 for M/s AAR Shyam India Investment Company Limited)

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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.
- 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.

Place: Delhi  
Dated: 29.08.2016

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

(Annexure- 3 to Director's Report)

**REPORT ON CORPORATE GOVERNANCE****Introduction**

As per 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 31st, 2016, the Board of Directors of the Company consisted of, two Independent Directors and one 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, 2016 across all public limited companies in which they are Directors.

During the financial year 2015-16, Four Meetings of the Board of Directors were held on following days: May 30, 2015, August 13, 2015, September 14, 2015, February 12 2016 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, 2016 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, 2016, are given below

(a) **Composition of the Board:**

Name of Director (S/Shri)	Category	No. of Board Meetings during 2015-16		Whether attended the last AGM	No. of outside Directorships	**No. of committee positions held (including in company)	
		Held	Attended			Chairman	Member
Beenu Aggarwal	Executive Director	4	4	Yes	4	1	3
Sahib Singh Gusain	Independent, Non-Executive	4	4	No	8	2	3
Kushal Jain	Independent, Non-Executive	4	1	No	-	0	2

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

During the financial year 2015-16, Four (4) Board Meetings were held on May 30, 2015, August 13, 2015, September 14, 2015, February 12 2016. 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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 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 have 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, 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, 2016 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, 2016. 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 of Listing Agreement as amended from time to time. In addition to the matters provided in SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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 2015-16, Audit Committee met four (4) 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 Gusain	4	4
Ms. Beenu Aggarwal	4	4

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.

All the members of the Audit Committee were 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 Regulation 19 of SEBI ( Listing Obligation and Disclosure Requirements) Regulation 2015, the Board "Nomination and Remuneration Committee" and reconstituted the same consisting of four Non-Executive Directors with two members, 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 Personnel and senior management personnel;
- b) 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;
- c) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and senior management personnel;
- d) Assessing the independence of Independent Directors;
- e) 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;
- f) To retain, motivate and promote talent and to ensure long term sustainability of talented management personnel and create competitive advantage;
- g) To devise a policy on Board diversity;
- h) 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 2015-16, the Nomination & Remuneration Committee met once (1) times, on 17th October, 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	1	1
Mrs. Beenu Agarwal	1	1
Mr. Kushal Jain	1	0

#### 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) Stakeholders Relationship Committee**

The Board of Directors of the Company reconstituted Shareholders Grievance Committee consisting of the following Directors:

- Mr. Sahib Singh Gusain ( Member)
- Mrs. Beenu Agarwal( Chairman)

The remit of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

One meeting of the Committee was held during the year on November 14, 2015.

Details of Meeting has been given below.

Director	No. of meetings held	No. of meetings attended
Mr. Sahib Singh Gusain	1	1
Mrs. Beenu Agarwal	1	1

**Annual General Meetings**

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

Financial Year	Date	Time	Place
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
2014-15	30.09.2015	10.00 a.m.	L-7, Green Park Extension New Delhi - 110 016

**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, 2016 are as under:

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

- (viii) The Company is complying with all mandatory requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.
- (ix) **Means of communication**

The Quarterly, Half Yearly and Annual Results are communicated to the Calcutta Stock Exchange 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 'Mint (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 16th 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015

The same is annexed to this report.

#### CEO/CFO Certification

The CEO and the CFO have issued certificate pursuant to the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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, 2016
Time	10.00 a.m.
Venue	L-7, Green Park Extension, New Delhi - 110 016

- Financial Calendar 2016-17 (Tentative):

## Board Meetings to take on record

Financial results for Quarter ended 30.06.2015	Second week of August, 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	24th September 2016 to 30th September, 2016 (both days inclusive)

- Listing:

Sl. No.	Name & address of stock exchanges
1.	The Calcutta Stock Exchange Ltd 7, Lyons Range, Kolkata - 700 001.

The Company has already paid annual listing fee for the year 2016-17 to the stock exchange.

- Stock Code:

- The Calcutta Stock Exchange Ltd, Kolkata	:	11600
- Demat ISIN in NSDL and CDSL for equity shares	:	INE512R01010

- 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  
website : 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, 2016**

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	9	1720060	57.335
Individuals	157	1022500	34.084
NRIs/OBCs	-	-	-
Clearing members	-	-	-
Others (if any)	-	-	-
<b>Total Non-promoter holding</b>	<b>166</b>	<b>2742560</b>	<b>91.419</b>
<b>Total</b>	<b>167</b>	<b>3000000</b>	<b>100</b>

- (b) **Distribution of shareholding as on 31st March, 2016**

No. of Share held	Shareholders		Share Amount	
	Number	% to Total	In Rupees	% to Total
1 TO 5000	150	89.820	1,40,700	0.469
5001 TO 10000	1	0.599	9,300	0.031
10001 TO 20000	0	0.000	0	0.000
20001 TO 30000	0	0.000	0	0.000
30001 TO 40000	0	0.000	0	0.000
40001 TO 50000	0	0.000	0	0.000
50001 TO 100000	0	0.000	0	0.000
100001 AND ABOVE	16	9.581	2,98,50,000	99.500
<b>Total</b>	<b>167</b>	<b>100</b>	<b>3,00,00,000</b>	<b>100</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, 2016, 29,85,000 equity shares equivalent to 99.50% 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, Mezzanine Floor, Green Park Extension,  
New Delhi-110016  
Email : info@aarshyam.in  
Website: www.aarshyam.in

(b) **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  
Website: 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/-  
Sahib Singh Gusain  
Director  
Din:00649786

Place : New Delhi  
Date: 29.08.2016

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION 2015**  
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, 2016 as stipulated in SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015.

We state that in respect of investor grievances received during the year ended 31st March, 2016, 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 : New Delhi  
Dated: 29.08.2016

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/-  
Sahib Singh Gusain  
Director  
Din : 00649786

Place : New Delhi  
Date : 29.08.2016

**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, 2016 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

Place : New Delhi  
Date : 29.08.2016



**STRG & ASSOCIATES**

CHARTERED ACCOUNTANTS

**Independent Auditor's Report**

348, 1st Floor, Tarun Enclave, Pitam Pura, New Delhi-110088

Phone : 2701 2828, 2702 2828, 2703 2828 Fax: 2701 2727

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

To the Members of  
**AAR SHYAM INDIA INVESTMENT COMPANY LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **M/S AAR SHYAM INDIA INVESTMENT COMPANY LIMITED**, which comprise the Balance Sheet as at March 31, 2016, 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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 standalone 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 on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2016, its profit/loss 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, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters Specified in paragraphs 3 and 4 of the Order.

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 standalone financial statements comply with the 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- h. The Company does not have any pending litigations which would impact its financial position
- i. 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
- j. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For STRG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014826N

  
CA Rakesh Gupta  
Partner  
M.No: 094040

Place : New Delhi  
Date : 27.05.2016

## “Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of M/S AAR SHYAM INDIA INVESTMENT COMPANY LIMITED for the year ended March 31, 2016:


- (i) The Company does not own any fixed assets; accordingly the provisions of clause 3(i)(a), 3(i)(b) & 3(i)(c) of the Order are not applicable to the company
- (ii) The Company does not own any inventory during the year; accordingly the provisions of clause 3(ii) of the Order are 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, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- (vi) In our opinion, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities; to the extent applicable to the company. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

21 MAY 2016



- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, we report that managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013 by the company during/for the year.
- (xii) According to information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) As per information & explanations given to us, there are no transactions with the related parties and the company is in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- (xvi) Yes, the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company has obtained the registration.

For STRG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014826N

  
CA Rakesh Gupta  
Partner  
M.No: 094040

Place : New Delhi  
Date : 27.05.2016

## **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **M/s AAR SHYAM INDIA INVESTMENT COMPANY LIMITED** ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**


A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For STRG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014826N**

  
**CA Rakesh Gupta  
Partner  
M.No: 094040**

**Place : New Delhi  
Date : 27.05.2016**



**AAR SHYAM INDIA INVESTMENT COMPANY LIMITED**  
Balance Sheet as at 31st March 2016

(Amount in Rs.)

Particulars	Note	As at	
		31-03-2016	31-03-2015
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share capital	3	30,000,000	30,000,000
Reserves and surplus	4	4,644,630	4,601,304
<b>Non Current Liabilities</b>			
Long Term Borrowings		-	-
Deferred Tax Liability		-	-
<b>Current Liabilities</b>			
Short-term borrowings	5	3,900,000	3,900,000
Trade Payable		-	-
Other current liabilities	6	185,755	75,288
Short-term provisions	7	562,318	7,264
<b>TOTAL</b>		<b>39,292,703</b>	<b>38,583,856</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets		-	-
Non-current investments	8	9,813,487	12,908,011
Deferred Tax Assets (Net)	9	191,267	-
Long Term Loans & Advances		-	-
Other Non Current Assets		-	-
<b>Current Assets</b>			
Current Investments		-	-
Inventories		-	-
Trade receivable	10	-	61,277
Cash and cash equivalents	11	3,060,135	1,584,579
Short Term Loans & Advances	12	26,077,139	23,925,413
Other current assets	13	150,675	104,576
<b>TOTAL</b>		<b>39,292,703</b>	<b>38,583,856</b>
Significant Accounting Policies & notes form part of the financial statements	1 & 2		

As per our report of even date  
For STRG & Associates  
Chartered Accountants  
FRN : 014826M

  
(CA Rakesh Gupta)  
Partner  
Membership No. 094040

Place : New Delhi  
Date : 27th May 2016

For and on behalf of the Board of Directors of  
M/s AAR Shyam India Investment Company Limited

  
Mr. Dinesh Kumar  
CFO  
PAN: ARCPK6585H

  
Sahib Singh Gusain  
Director  
DIN No. 00649786

  
Mr. Rakesh Babu  
CEO  
PAN: BSEP0525N

  
Subham Jain  
Company Secretary  
PAN: AJCPJ9610L

**AAR SHYAM INDIA INVESTMENT COMPANY LIMITED**  
Statement of Profit and loss for the year ended 31st March 2016

(Amount in Rs.)

Particulars	Note	For the year ended 31st March 2016	For the year ended 31st March 2015
Income			
Revenue From Operations	14	2,441,461	543,575
Other Income	15	299,469	523,808
<b>Total Revenue</b>		<b>2,740,930</b>	<b>1,067,383</b>
Expenses:			
Employee Benefit Expenses	16	426,500	137,097
Finance Cost		-	-
Depreciation & Amortization Expenses		-	-
Other Expenses	17	1,900,053	905,706
<b>Total Expenses</b>		<b>2,326,553</b>	<b>1,042,803</b>
<b>Profit /(Loss) Before Tax</b>		<b>414,377</b>	<b>24,580</b>
Tax Expense:			
Current tax		562,318	22,490
Deferred Tax		(191,267)	-
<b>Profit /(Loss) for the Period</b>		<b>43,326</b>	<b>2,090</b>
Earnings per equity share of Rs 10 each:			
(1) Basic		0.01	0.00
(2) Diluted		0.01	0.00
Significant Accounting Policies & notes form part of the financial statements	1 & 2		

As per our report of even date  
For STRG & Associates  
Chartered Accountants  
FRN : 014826N

(CA Rakesh Gupta)  
Partner  
Membership No. 094040

Place : New Delhi  
Date : 27th May 2016

For and on behalf of the Board of Directors of  
M/s AAR Shyam India Investment Company Limited

  
Mr. Dinesh Kumar  
CFO  
PAN: ARCPK6585H

  
Sahib Singh Gusain  
Director  
DIN No. 00649786

  
Mr. Rakesh Babu  
CEO  
PAN: BSEPB0525N

  
Subham Jain  
Company Secretary  
PAN: AJCPJ9610L

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

	For the year ended 31.3.2016 (Rs.)	For the year ended 31.3.2015 (Rs.)
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit after Tax	43,326	2,090
Add: Provision For Income Tax	562,318	22,490
Add: Deferred Tax	(191,267)	-
Net profit before tax	414,377	24,580
adjustments for :		
Provision reversed for diminution of Investment	-	(820)
Operating profit before working capital changes	414,377	24,580
Adjustments for :		
(Increase)/Decrease in Trade receivable	61,277	(31,967)
(Increase)/Decrease in short Term Loan & Advances	(2,151,726)	(23,925,413)
(Increase)/Decrease in other current assets	(46,099)	(5,398)
Increase/(Decrease) in Trade and other payables	110,467	17,114
Increase/ (Decrease) in short term provisions	555,054	7,264
Cash generated from operations	(1,056,651)	(23,913,820)
Direct taxes refund/(paid)	(562,318)	(22,490)
<b>Net Cash flow Generated from Operating Activities (A)</b>	<b>(1,618,968)</b>	<b>(23,936,310)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of Investments	3,094,524	861,777
<b>Net Cash Flow Generated from Investing Activities (B)</b>	<b>3,094,524</b>	<b>863,777</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital	-	20,100,000
Increase in unsecured Loan	-	3,900,000
<b>Net Cash Generated from Financing Activities (C)</b>	<b>-</b>	<b>24,000,000</b>
<b>Net Increase in Cash &amp; Cash Equivalents ( A + B + C )</b>	<b>1,475,556</b>	<b>926,447</b>
Opening cash and cash equivalents	1,584,579	657,932
Closing cash and cash equivalents	3,060,135	1,584,579
<b>Cash &amp; Cash equivalents as stated in Balance Sheet</b>		
Cash in Hand	24,212	99
Cash at Bank	615,489	318,481
Cheque in hand	1,089,863	-
FD with Bank	1,330,571	1,266,000
<b>Cash &amp; Cash equivalents as stated in Balance Sheet</b>	<b>3,060,135</b>	<b>1,584,579</b>

Accompanying notes form part of the financial statements  
in terms of our report of even date attached

For STRG & Associates  
Chartered Accountants

FRN : 014826N

(CA Rakesh Gupta)

Partner

Membership No. 094040

Place : New Delhi

Date : 27th May 2016

For and on behalf of the Board of Directors of  
M/s AAR Shyam India Investment Company Limited & Limited

Mr. Dinesh Kumar  
CFO

PAN: ARCPK6585H

Mr. Rakesh Babu  
CEO

PAN: BSEPB0525N

Sahib Singh Gusain  
Director

DIN No. 00649786

Subham Jain  
Company Secretary

PAN: AJCPJ9610L

3. Share capital

Particulars	(Amount in Rs.)			
	As at 31st March 2016		As at 31st March 2015	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs. 10/- each	3,500,000	35,000,000	3,500,000	35,000,000
Issued, Subscribed & Paid up Capital	3,500,000	35,000,000	3,500,000	35,000,000
Equity Shares of Rs.10/- each	3,000,000	30,000,000	3,000,000	30,000,000
Total	3,000,000	30,000,000	3,000,000	30,000,000

(i)

Particulars	As at 31 March 2016	As at 31 March 2015
Reconciliation of Number of Shares Outstanding at the Beginning and at the End of the Reporting Period:		
Balance at the beginning of the reporting period	3,000,000	990,000
Add: Shares issued during the year	-	2,010,000
Balance at the end of the year	3,000,000	3,000,000
Reconciliation of Share Capital Outstanding at the Beginning and at the End of the Reporting Period:		
Balance at the beginning of the reporting period	30,000,000	9,900,000
Add: Share Capital issued during the year	-	20,100,000
Balance at the end of the year	30,000,000	30,000,000

(ii) The details of shareholder holding more than 5% shares as at March 31, 2016 and March 31, 2015 are set out below

Name of Shareholder	As at 31 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
EIRENE BUSINESS SOLUTION PRIVATE LIMITED .	350000	11.67	350000	11.67
NUGGET STEEL TRADING PRIVATE LIMITED .	350000	11.67	350000	11.67
VYAAS VYAPAAR PRIVATE LIMITED	350000	11.67	350000	11.67
K K MODI INVESTMENT & FINANCIAL SERVICES PVT LTD	257440	8.58	257440	8.58
DEEPA AGGARWAL	200000	6.67	200000	6.67
MURARI MOHAN BANIA	200000	6.67	200000	6.67
PUSPA LAHARI	200000	6.67	200000	6.67
SWAPAN KUMAR GHOSH (HUF)	200000	6.67	200000	6.67
SANJIB BERA	160000	5.33	160000	5.33

(iii) 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.

*[Handwritten signature]*

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED  
Notes forming part of financial statement

4. Reserves and surplus

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
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	82,875	-
Closing Balance	1,314,722	1,231,847
Surplus		
Opening balance	3,319,457	3,317,367
Add: Net Profit/(Net Loss) For the current year	43,326	2,090
Less: Transfer to Statutory Reserves	82,875	-
Closing Balance	3,279,908	3,319,457
<b>Total</b>	<b>4,644,630</b>	<b>4,601,304</b>

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

5. Short-term borrowings

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Unsecured:		
Other Loans and Advances	3,900,000	3,900,000
<b>Total</b>	<b>3,900,000</b>	<b>3,900,000</b>

6. Other current liabilities

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Audit fees payable	22,900	22,472
Expenses payable	66,220	49,541
Other payables	66,635	-
Salary Payable	30,000	-
TDS Payable	-	3,275
<b>Total</b>	<b>185,755</b>	<b>75,288</b>

7. Short-term provisions

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Provision for Income tax	562,318	7,264
<b>Total</b>	<b>562,318</b>	<b>7,264</b>



Shalgi

P.

Russ

Abul

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED  
Notes forming part of financial statements

8. Non-current investments

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
	Rs.	Rs.
Investments - Other		
Quoted-		
Investment in Equity shares, fully paid up	2,113,487	5,208,011
Unquoted-		
Investment in Preference shares	7,700,000	7,700,000
Total	9,813,487	12,908,011
Less : Provision for diminution in the value of Investments	-	-
Total	9,813,487	12,908,011

Particulars	As at 31 March 2016	As at 31 March 2015
Aggregate amount of quoted investments	2,113,487	5,208,011
Aggregate amount of unquoted investments	7,700,000	7,700,000
Total	9,813,487	12,908,011
Market value of quoted investments	1,578,373	3,800,425

*Shalgiw. Ramesh Q. Naul*



AAR SHYAM INDIA INVESTMENT COMPANY LIMITED  
 Notes forming part of financial statements

Note-9  
 Deferred Tax

Particulars	As at 31	As at 31
	March 2016	March 2015
	Rs.	Rs.
SHORT TERM CAPITAL LOSS	1,237,976	-
TIMING DIFFERENCES	1,237,976	-
CLOSING (DTL)/DTA- @ 15.45%	191,267	-
LESS OPENING (DTL)/DTA	-	-
(DTL)/DTA TO BE RECOGNIZED	191,267	-

*Shyam*      *Rms*      *L. Nal*



10. Trade receivables

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Trade Receivable		
Unsecured, considered good		
outstanding for a period exceeding six months	-	-
Others	-	61,277
	-	61,277

11. Cash and cash equivalents

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Cash in hand	24,212	99
Balances with banks		
In current accounts	615,489	318,481
Cheque in hand	1,089,863	-
In fixed deposits	1,330,571	1,266,000
	3,060,135	1,584,579

12. Short Term Loan & Advances

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good		
Loans and Advances		
-to related parties	-	-
-to Others	26,077,139	23,925,413
	26,077,139	23,925,413

13. Other current assets

Particulars	(Amount in Rs.)	
	As at 31 March 2016	As at 31 March 2015
Interest receivable on FD	-	6,472
TDS (AY 2016-17)	127,305	-
Income Tax Refundable	23,370	98,103
	150,675	104,576

14. Revenue from operations

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest income	2,441,461	92,475
Dividend income	-	600
Processing income	-	280,000
Professional service Fees	-	150,000
Financial Consultancy fees	-	20,500
<b>Total</b>	<b>2,441,461</b>	<b>543,575</b>



Shulgi, Ranu Q. Bhal



## 15. Other Income

(Amount in Rs.)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Provision for Diminution of Investment write back	-	820
Other Income	290,000	-
Profit on Intraday share trading	8,716	-
Miscellaneous Income	751	-
Long Term Capital Gain-Shares:	-	376,988
Sale of Material	-	146,000
Short/Excess	2	-
<b>Total</b>	<b>299,469</b>	<b>523,808</b>

## 16. Employee Benefit Expenses

(Amount in Rs.)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Salary	426,500	137,097
<b>Total</b>	<b>426,500</b>	<b>137,097</b>

## 17. Other expenses

(Amount in Rs.)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Advertisement expenses	76,143	30,226
Audit fees	23,228	22,472
Annual Custodian Charges	-	6,742
Bank charges	1,237	1,569
Conveyance Charges	-	1,530
Demat charges	4,060	5,270
Depository Charges	24,913	-
Income Tax Receivable Written Off	74,733	-
Internal Audit fees	2,500	2,000
Listing fees	28,090	51,124
Material Purchase	-	95,760
Loss on sale of shares	1,237,976	194,280
Filing fees	42,070	345,160
Miscellaneous Amount written off	-	751
Miscellaneous Expenses	-	6,540
Postage expenses	2,034	4,039
Professional charges	91,085	68,755
Printing & Stationery Expenses	8,150	-
Rebate & Discount	160,000	-
Rent	120,000	-
Server Expenses	3,000	-
Subscription Charges	-	65,598
Telephone Charges	834	3,891
<b>Total</b>	<b>1,900,053</b>	<b>905,706</b>

For STRG & Associates  
Chartered Accountants  
FRN : 014826M

(CA Rakesh Gupta)  
Partner  
Membership No. 094040

Place : New Delhi  
Date : 27th May 2016

For and on behalf of the Board of Directors of  
M/s AAR Shyam India Investment Company Limited

Mr. Dinesh Kumar  
CFO  
PAN: ARCPK6585H

Sahib Singh Gusain  
Director  
DIN No. 00649786

Mr. Rakesh Babu  
CEO  
PAN: BSEPB0525N

Subham Jain  
Company Secretary  
PAN: AJCPJ9610L

## AAR SHYAM INDIA INVESTMENT COMPANY LIMITED

### NOTE – 1: SIGNIFICANT ACCOUNTING POLICIES

- I. Basis of preparation of financial statements:  
These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees.
- II. Use of estimates  
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The management believes that the estimates made in the preparation of the financial statements are prudent and reasonable.
- III. Income and Expenditure  
Income and Expenditure are accounted for on accrual basis except finance charges and interest on bad & doubtful debts which is recognized as per IRAC norms of RBI guidelines.
- IV. Tangible Fixed Assets & Depreciation
  - a) There are no fixed assets in the company so no depreciation has been provided in the books of accounts.
- V. Investments  
Investment has been bifurcated into 'long term' and 'current' categories as per RBI Norms. Long term investment is valued at cost and current investment at cost or market value whichever is lower. However, no provision is being made where there is permanent diminution in the value of long term investments.
- VI. Inventories  
The Company does not have any kind of inventory during the year.
- VII. Loans & Advances  
Loans and Advances are classified in accordance with IRAC norms issued by RBI.
- VIII. Dividend  
No dividend has been paid or declared by the company during the year.
- IX. Cash and cash equivalents  
Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

*Shyam*  
*Q*  
*Shyam*  
*Adak*

X. Provision, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. There is no Contingent Assets & Liabilities.

a. Provision for Non-Performing Assets

The company has not made provision @ 0.25% due to insufficiency of profits during the year. Moreover the management is sure that all the loans granted shall be received back and carries no risk. Further, the management is fully aware of the requirement of making the statutory provision and is committed to comply with it next year.

XI. Unless specifically stated to be otherwise, these policies are consistently followed.

 Shalika

 Ravi  
Bhatt

**AAR SHYAM INDIA INVESTMENT COMPANY LIMITED**

**OTHER NOTES ON ACCOUNTS**

	AS AT 31.03.2016	AS AT 31.03.2015
	<u>(Rs. In Lacs)</u>	<u>(Rs. In Lacs)</u>
13. <b><u>COMMITMENTS</u></b>		
a) Estimated amount of contracts Remaining to be executed on Capital Account and not provided for :	NIL	NIL
b) Letters of Credit opened in favour of inland/overseas suppliers	NIL	NIL
19. <b><u>Contingent Liabilities not provided for :-</u></b> (excluding matters separately dealt with in other notes)		
a) Counter guarantees issued to Bankers in respect of guarantees issued by them	NIL	NIL
b) Guarantees issued on behalf of Ltd. Co's	NIL	NIL
20. Value of Imports on CIF Basis	NIL	NIL
21. Earning in Foreign Currency	NIL	NIL
22. Expenditure in Foreign Currency	NIL	NIL
23. <b><u>PARTICULARS OF SALES &amp; STOCKS</u></b>		

	<u>CURRENT YEAR</u> <u>Value (Rs.)</u>	<u>PREVIOUS YEAR</u> <u>Value (Rs.)</u>
<u>OPENING STOCK</u>	0	0
<u>PURCHASE</u>	0	95,760
<u>SALES</u>	0	1,46,000
<u>CLOSING STOCK</u>	0	0


  
 N Shylg... F... R... D...

24. In the opinion of the Board, all Current Assets, Loans & Advances (Except where indicated otherwise) collectively have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.
25. Balance confirmation certificates from parties, as appearing in the Balance Sheet under the heads 'Other Current Assets' on the assets side of the Balance Sheet are subject to confirmations of balances to the extent received have been reconciled/under reconciliation.
26. Company has not made any Provision for liability of future payment of gratuity in the current year. Further, no provision has been made for leave encashment benefits, as the company does not have a policy of encashing leaves of employees.
27. The company is engaged in the business of non-banking financial activity. Since all the activities relate to main activity, in the opinion of the management, there is only one business segment in terms of AS-17 on segment reporting issued by ICAI.

28. Auditors' remuneration

Auditors' remuneration is as follows:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Audit fee (Excluding Service Tax)	20,000	20,000

29. Related Party Disclosures:

Related party disclosures as required under Accounting Standard (AS) – 18 "Related party Disclosures", notified by the Government in the Companies (Accounting Standard) Rules 2006, are given in a separate annexure attached herewith:

a) Related parties Disclosures

Description of Relationship	Name of Party
Key Management Personnel :	Beenu Aggarwal (appointed on 10.02.1997)
	Sahib Singh Gusain (appointed on 04.08.2014)
	Kushal Jain (appointed on 04.08.2014)
	Rakesh Babu (appointed on 28.03.2015)
	Dinesh Kumar (appointed on 28.03.2015)
	Simran Kaur (appointed on 20.05.2015, resigned on 31.12.2015)
	Subham Jain (appointed on 27.05.2016)

Shubhjit  
R  
R  
M

(b) Related Party Transactions during the year ending 31<sup>st</sup> March 2016:

Name of Party	Particulars	Amount (Rs.)
Rakesh Babu	Remuneration paid	1,35,000/-
Dinesh Kumar	Remuneration paid	1,35,000/-
Simran Kaur	Salary paid	1,44,000/-

(c) Balance outstanding with the related parties:

Name of Party	Particulars	Amount (Rs.)
Rakesh Babu	Remuneration payable	1,35,000/-
Dinesh Kumar	Remuneration payable	1,35,000/-

30. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earning per share:

	Year Ended 31.03.2016	Year Ended 31.03.2015
Profit attributable to the Equity Shareholders – (A) (Rs )	43,326	2,090
Basic/ Weighted average number of Equity Shares outstanding during the year (B)	3,000,000	3,000,000
Nominal value of Equity Shares (Rs)	10	10
Basic/Diluted Earnings per share (Rs) – (A)/(B)	0.01	0.00
<b>Calculation of profit attributable to Shareholders</b>		
Profit Before Tax	414,377	24,580
Less : Provision for Tax/FBT/Deferred Tax	371,051	22,490
Less : Income Tax Adjustment	0	0
Profit attributable to Shareholders	43,326	2,090

31. Figures for the previous year have been regrouped or rearranged wherever necessary.
32. Disclosure of details as required by revised para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007, earlier para 9BB of Non- Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

*Shilpa* *P* *P* *Rake*

**Liabilities Side:**

Particulars		(Rs. In Lacs)			
		Year ending 31.03.2016		Year ending 31.03.2015	
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
		(a)	Debtures : Secured : Unsecured (other than falling within the meaning of public deposits)	-	-
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	0	-	0	-
(d)	Inter-corporate loans and borrowing	39.00	-	39.00	-
(e)	Commercial Paper	-	-	-	-
(f)	Other Loans (specify nature) - Loans from Bank	-	-	-	-

**Assets Side**

Particulars		(Rs. In Lacs)	
		Amount outstanding	Amount outstanding
(2)	Break-up of loans and advances including bills receivables (other than those included in (4) below :- a) Secured b) Unsecured	260.77	239.25
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities  (i) Lease assets including lease rentals under sundry debtors : (a) Financial lease (b) Operating lease  (ii) Stock on hire including hire charges under sundry debtors : (a) Assets on hire (b) Repossessed Assets  (iii) Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	-	-
(4)	Break-up of Investments :  Current Investments :  1. Quoted : (i) Shares : (a) Equity (b) Preference (ii) Debentures and Bonds (iii) Units of mutual funds (iv) Government Securities (v) Others (please specify)	-	-

Shukla, P. K. Singh, Ball

1. Unquoted			
(i) Shares :	(a) Equity	-	-
	(b) Preference	-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (please specify)		-	-
Long Term investments :			
(i) Shares :	(a) Equity	21.13	52.08
	(b) Preference	77.00	77.00
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Silver		-	-
2. Unquoted :			
(i) Shares :	(a) Equity	-	-
	(b) Preference	-	-
(ii) Debentures and Bonds		-	-
(iii) Units of mutual funds		-	-
(iv) Government Securities		-	-
(v) Others (please specify)		-	-

(5) Borrower group-wise classification of assets financed as in (2) and (3) above :-

Category	Amount net of provision			Amount net of provision		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2. Other than related parties	260.77	-	260.77	239.25	-	239.25
Total	260.77	-	260.77	239.25	-	239.25

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	Current Year		Previous Year	
	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	92.78	98.13	115.00	129.08

7 Other Information

Particulars	Current Year Amount	Previous Year Amount
(i) Gross Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
a) Related parties	-	-
b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-


SLY  
R  
R  
R



Note: In case of Investments in unquoted shares, it is assumed that market value is same as book value.

33. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the confirmations received by the Company, there are no amounts payable to micro and small enterprises as at 31 March 2016.
34. Borrowing Cost: Interest and other cost incurred by the company in connection with the borrowing of funds are recognised as an expense in the period in which they are incurred unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.
35. Figures are rounded off to nearest Rupee.
36. Extraordinary items include Prior Period Expenses.

For **STRG & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 014826N

  
**CA Rakesh Gupta**  
Partner  
M. No : 094040

Place: New Delhi  
Date: 27.05.2016

For and on behalf of Board of Directors of  
**AAR Shyam India Investment Company Limited**

  
**Mr. Dinesh Kumar**  
CFO  
PAN: ARCPK6585H

  
**Mr. Rakesh Babu**  
CEO  
PAN: BSEPB0525N

  
**Sahib Singh Gusain**  
Director  
DIN: 00649786

  
**Subham Jain**  
Company Secretary  
PAN: AJCPJ9610L