

# J. T. Shah & Co.

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To,

The Members of

**ARMAN FINANCIAL SERVICES LIMITED**

Ahmedabad

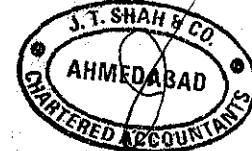
#### 1. **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **ARMAN FINANCIAL SERVICES LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### 2. **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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 the Companies

(Accounts) Rules, 2014. This responsibility also 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were 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.



201/202, Lalita Complex, 352/3, Rasala Marg,  
Navrangpura, Ahmedabad - 380 009.  
Phone : 264 444 20, 264 444 30, 264 444 40  
Fax : 265 604 40 Email : info@jtshahco.com

**3. Auditor's Responsibility**

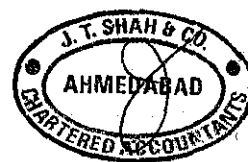
Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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 the 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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.



# J. T. Shah & Co.

## CHARTERED ACCOUNTANTS

#### 4. 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:-

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### 5. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

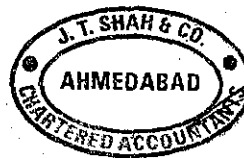


# J. T. Shah & Co.

## CHARTERED ACCOUNTANTS

- (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 the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 21)
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Ahmedabad  
Date : 14.05.2015



For, J. T. Shah & Co.  
Chartered Accountants,  
[FERN No. 109616W]

[J. J. Shah]  
Partner  
[M. No. 45669]

201/202, Lalita Complex, 352/3, Rasala Marg,  
Navrangpura, Ahmedabad - 380 009.  
Phone : 264 444 20, 264 444 30, 264 444 40  
Fax : 265 604 40 Email : info@jtshahco.com

# ARMAN FINANCIAL SERVICES LIMITED

## ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 5 (i) of our Report of even date to the Members of **ARMAN FINANCIAL SERVICES LIMITED** for the year ended 31st March, 2015.

**1. In respect of Fixed Assets :**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
- (b) As per the information and explanations given to us, Fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

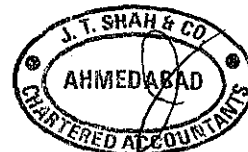
**2. In respect of its Inventories :**

The company does not have any Inventories and hence clause 4(ii) of The Companies (Auditor's Report) Order, 2015 is not applicable.

**3. In respect of Loans and Advances granted during the year.**

As per information and explanation give to us , the Company has granted loan to its wholly owned subsidiary company covered under the register maintained under section 189 of the Companies Act, 2013, the yearend balance is amounting to Rs. 64.49 Lacs and the maximum amount involved during the year was Rs.1236.82 Lacs.

- a. In our opinion and according to the information and explanations given to us, the Company is regular in receipt of principal and recovery of interest there on.
- b. In our opinion and according to the information and explanations given to us, there were no overdue outstanding as at 31<sup>st</sup> March 2015 in respect of Loans and Advances granted during the year.



## ARMAN FINANCIAL SERVICES LIMITED

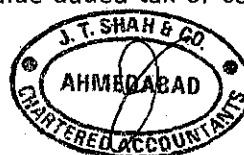
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases fixed assets and rendering of services. The activities of the company do not involve purchase of inventory and sale of goods. During the course of our audit, no major continuing failures to correct major weaknesses has been observed.
5. During the year, the company has not accepted any deposits from public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company. We are informed that no order has been passed by company Law Board (CLB) or National Company Law Tribunal (the NCLT) or Reserve Bank of India or any court or any other tribunal.
6. As per the information and explanation provided to us the company is not required to maintain the cost records as per the provisions of Companies(Cost Records and Audit) Rules, 2014, hence Clause (vi) of the Companies (Auditor's Report) Order,2015 is not applicable to the company.

7. **In respect of Statutory Dues :**

- (a) According to the records of the Company, the Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues.
- (b) *According to the information and explanations given to us, There were no undisputed statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable except following.*

<b>Name of the Statute</b>	<b>Nature of the Dues</b>	<b>Period to which the amount relates (A.Y.)</b>	<b>Amount (Rs. In Lacs)</b>
Income Tax Act, 1961	Income Tax	2009-10	1.97
<b>Total. . . .</b>			<b>1.97</b>

- (c) According to the records of the company, no dues of income tax, sales tax, wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of disputes.

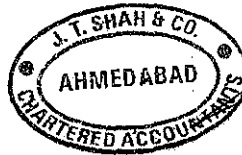


## ARMAN FINANCIAL SERVICES LIMITED

---

- (d) According to the records of the company there are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
8. The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceding financial year.
9. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to the Financial Institutions, Banks or Debenture Holders.
10. In our opinion and according to the information and explanations given to us, the Company has given Corporate guarantee of Rs. 3800 Lacs for loans taken by its wholly owned subsidiary company from banks or financial institutions and they are not prima facie prejudicial to the interest of the company.
11. According to the information and explanations given to us, during year under review the company has applied the term loans for the purpose for which the loans were obtained.
12. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

Place : Ahmedabad  
Date : 14.05.2015



For, J. T. Shah & Co.  
Chartered Accountants,  
[FBN No. 109616W]

[J. I. Shah]  
Partner  
[M. No. 45669]