



AAR Shyam India
Investment Company
Limited
(Annual Report 2019-20)

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Vision



*To be a leading
Financial services provider,
admired and respected
for
Ethics, Values and Corporate
Governance.*

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED

Regd. off: B-42, Lower Ground Floor, Panchsheel Enclave, New Delhi -110 017

CIN: L67120DL1983PLC015266

Email ID: info@aarshyam.in | Website: www.aarshyam.in | Ph No. 91 11 45626909

NOTICE

NOTICE is hereby given that 37th Annual General Meeting of the members of **AAR Shyam India Investment Company Limited will be held at on Sunday, 27th September, 2020 at 1:00 P.M.** through video conferencing (“VC”) / other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended 31st March, 2020

“RESOLVED THAT the audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with Directors’ Report and Auditors thereon, be and are hereby received, considered and adopted.

2. To appoint a Director in place of Ms. Beenu Agarwal (DIN: 00056062), who retires by rotation and being eligible, offers herself for re-appointment.

“RESOLVED THAT Ms. Beenu Agarwal (DIN: 00056062), who retires by rotation and being eligible, offers herself for re-appointment, be and is hereby re-appointed as Director of the company liable to retire by rotation.

3. To re-appoint STRG & Associates as Statutory Auditors

To re-appoint M/s. STRG & Associates, Chartered Accountants, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until the conclusion of Annual General Meeting to be held in the year 2025 i.e. from financial year 2020-21 to 2024-25.

By Order of the Board
For AAR Shyam India Investment Company Limited

Regd. Office:

B-42, Lower Ground Floor,
Panchsheel Enclave,
New Delhi-110017

Dated: 02.09.2020

Place: New Delhi

Sd/-
Princy Anand
Company Secretary

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 General Circular No. 20/2020 dated May 5, 2020 (collectively “MCA Circulars”) and SEBI circular dated May 12, 2020 permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 37th AGM of the Company is being convened and conducted through VC.
2. The Company has enabled the Members to participate at the 37th AGM through the VC facility provided by Mas Services Limited, Registrar and Share Transfer Agents. The instructions for participation by Members are given in the subsequent paragraphs. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).
5. Corporate Members are required to access the link <https://www.evotingindia.com> and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members.
7. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares
8. Members are requested to address all correspondence to the RTA, Mas Services Limited, Unit : Aar Shyam India Investment Company Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020.
9. In compliance with Section 108 of the Act, read with the corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (“e-voting”) facility provided by the Central Depository Services India Limited (CDSL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. Kundan Agrawal and Associates (CP No. 8325), as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.

10. The e-voting period commences on Thursday, September 24, 2020 (9:00 a.m. IST) and ends on Saturday, September 26, 2020 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on September 20, 2020 may cast their votes electronically. The e-voting module will be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on September 20, 2020.
11. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
12. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he / she is already registered with CDSL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
13. Pursuant to the requirement of the SEBI Regulations, the Company declares that its equity shares are listed on the Calcutta stock exchange and Bombay Stock Exchange. The Company has paid the Annual listing fee for the year 2020-21 to BSE; and the company has initiated the process for removing the company from CSE. However, the company is complying with all the statutory requirements of the exchange.
14. In line with the MCA Circulars, Members may also note that the Notice of the 37th AGM and the Annual Report 2019-20 will also be available on the Company's website www.aarshyam.in and websites of the Stock Exchanges i.e. BSE Limited and The Calcutta Stock Exchange Limited at www.bseindia.com and www.cse-india.com respectively, and on the website of CDSL <https://www.evotingindia.com>. In case of any queries regarding the Annual Report, the Members may write to info@aarshyam.in to receive an email response.
15. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, Mas Services Limited at info@maserv.com to receive copies of the Annual Report 2019-20 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Annual Report, user ID / password for e-voting and updation of bank account mandate.

Type of Holder	Process to be followed	
	Registering Email Address	Updating bank account details
Physical	Send a signed request to the RTA of the Company, Mas Services Limited at info@maserv.com providing Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for registering email address.	Send a request to the RTA of the Company, Mas Services Limited at T34 2nd Floor, Okhla Industrial Area Phase-II, New Delhi 110020, with original cancelled cheque (name of shareholder should be printed on it) with copy of PAN (if not provided earlier).
Demat	Please contact your DP and register your email address and bank account details in your demat account as per the process advised by your DP	

16. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in

respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the RTA website at www.masserv.com. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Mas Services Limited, in case the shares are held in physical form.

18. In case of joint holder attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
19. The Register of Members and Share Transfer /Demat books will remain closed from Monday, September 21, 2020 to Sunday, September 27, 2020 (both days inclusive).
20. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, CDSL, and RTA and will also be displayed on the Company's and CDSL website www.aarshyam.in & www.evotingindia.com.
21. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
22. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 37th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to info@aarshyam.in.

INSTRUCTION FOR E-VOTING AND AGM THROUGH VIDEO CONFERENCING

- (i) The shareholders need to visit the e-voting website <http://www.evotingindia.com/>.
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is mentioned in email..
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen.

However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution on which you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES :

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, and copy of PAN card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:

- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evotingindia.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your name.
 In the "last name" field - Enter your folio no. as informed in e-mail
 In the "Email ID" field - Put your email ID
 In the "Event password" field - Put the password as "cdsl@1234"

Click join now button.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:
 - ✓ Windows 7, 8 or 10
 - ✓ I3
 - ✓ Microphone, speaker
 - ✓ Internet speed minimum 700 kbps
 - ✓ Date and time of computer should be current date and time
- (ii) Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for 1000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

- ✓ Please download webex application from play store

NOTE: IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE, TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Sanyam Tuteja	Whole-Time Director
Ms. Beenu Aggarwal	Non-Executive Director
Ms. Reena Gupta	Independent Director
Mr. Jitendra Jain	Independent Director (resigned on 12.08.2019)
Ms. Reetika Choubey	Non-Executive Director (resigned on 12.08.2019)
Mr. Manish	Independent Director (appointed w.e.f. 12.08.2019)

CHIEF FINANCIAL OFFICER

Mr. Abhay Nath Jha

COMPANY SECRETARY

Ms. Princy Anand

STATUTORY AUDITORS

M/s STRG & Associates
348, 1stFloor, 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

B-42, Lower Ground Floor, Panchsheel Enclave,
New Delhi-110017

INTERNAL AUDITORS

M/s MAKS & CO.
Shop No. 301, 3rdFloor, Vikas Surya Tower,
Sector-12, Dwarka, New Delhi-110075

SECRETARIAL AUDITORS

M/s Kundan Agrawal & Associates
193, 1st Floor, Shakti Khand-3,
Indira Puram, Ghaziabad UP – 201010

BANKERS

Corporation Bank
Axis Bank Limited

DIRECTORS' REPORT**DEAR MEMBERS,**

Your Directors have pleasure in presenting the Annual Report of the Company together with audited statements of accounts for the financial year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS

The summarized financial results of the Company for the financial year 2019-20 are given hereunder:

	(In Rupees)	
	2019-20	2018-19
Revenue from operations & other income	(27,31,230)	(7,71,413)
Operating Profit (EBIDTA)	(38,19,763)	(32,15,414)
Finance Cost	944	985
Profit before tax	(38,20,707)	(32,16,399)
Provision for Current Tax (net)	95,661	1,59,803
Net Profit	(39,16,368)	(33,76,202)

DIVIDEND

In order to meet the future requirements of the Company, your Directors have decided not to recommend dividend for the Financial Year 2019-20.

INCOME FROM OPERATIONS

During the year under review, the revenue from operations was (Rs.27.31) lakhs as compared to (Rs.7.71) lakhs during 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

The company is committed to maintain the highest standards of Corporate Governance and adhere to the corporate Governance requirements set out by SEBI. 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 is attached as Annexure 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 Regulations 2015, also forms part of the Annual Report.

FINANCE**(i) Share Capital**

The paid-up Share Capital as on 31st March, 2020 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).

DIRECTORS' REPORT Contd.**(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 2019-20, Five (5) Board Meetings were held on May 30, 2019, August 12, 2019, August 30, 2019, November 14, 2019 and February 12, 2020. And as per companies act, 2013, the maximum interval between any two meetings was not more than 120 days.

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.

CHANGES IN COMPOSITION OF BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**a. Appointment/ Cessation**

During the year under review i.e. 2019-20, Mr. Manish was appointed as Non-Executive Independent Director w.e.f. 12.08.2019, Mr. Jitendra Jain was resigned as Non-Executive Independent Director w.e.f. 12.08.2019 and Ms. Reetika Choubey was resigned as Non-Executive Director w.e.f. 12.08.2019.

b. Retire by Rotation

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

c. Appointment of Women Director

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

d. Key Managerial Personnel

During the year under review i.e. 2019-20, Mr. Sanyam Tuteja, Whole Time Director (DIN: 08139915); Mr. Dinesh Kumar, Chief Financial Officer up to 12.02.2020; Mr. Abhay Nath Jha, Chief Financial Officer w.e.f. 25.06.2020 and Ms. Princy Anand, 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.

DIRECTORS' REPORT Contd.**e. Board's Independence**

Our definition of 'Independence' of Directors is derived from SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 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. Ms. Reena Gupta (DIN: 06966728)
2. Mr. Manish (DIN : 08535552)

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of section 134(5) of the Act, the directors state that:

- a) In the preparation of the annual financial statements for the year under reporting, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) Appropriate accounting policies have been selected, applied consistently and judgment 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 reporting date and of the profit of the company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The annual financial statements have been prepared on a going concern basis;
- e) Proper internal financial controls were in place and the financial controls were adequate and operating effectively; and
- f) 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, 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.

DIRECTORS' REPORT Contd.

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 2019-20. 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, if any, 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.

REMUNERATION OF THE DIRECTORS/KMP/EMPLOYEES:

The information required under Section 197 of the Act read with Rule 5(1), clause (i) and (ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below.

Sr. No.	Name of Director/KMP and Designation	Ratio of remuneration of each director to the median remuneration of the employees	% increase in remuneration in the FY 2019-20
1	Sanyam Tuteja Whole-Time Director	-	None
2	Manish (appointed w.e.f. 12.08.2019) Independent Director	-	None
3	Dinesh Kumar Chief Financial Officer (resigned on 12.02.2020)	1.33 : 1	None
5	Princy Anand Company Secretary	1 : 1	None
6	Reena Gupta Independent Director	-	None
7	Beenu Agarwal	-	None

*Mr. Abhay Nath Jha appointed as CFO wef 25.06.2020, hence we cannot consider it for the above compliance.

Clause Under Rule 5(1)	Prescribed Requirement	Particulars
(iii)	Percentage increase in the median remuneration of employees in the financial year	Nil
(iv)	Number of permanent employees on the rolls of company as on the date of Annual Report	2

DIRECTORS' REPORT Contd.

Clause Under Rule 5(1)	Prescribed Requirement	Particulars
(viii)	Average Percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Nil
(xii)	A statement that the remuneration is as per the remuneration policy of the company	It is hereby confirmed that remuneration paid to Director/KMP and other employees is as per the remuneration policy of the company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 as per provisions of Section 134(3) is attached as Annexure '1' to this report and also placed on the website of the Company at www.aarshyam.in

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, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report for financial year 2019-20, 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 2nd September, 2020 has appointed M/s. Kundan Agarwal & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the FY 2020-21.

INTERNAL AUDITORS & THEIR REPORT

Pursuant to provisions of Section 138 of Companies Act 2013 and rules made there under, the company had appointed MAKS & Co. as Internal Auditor for the year 2020-21.

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.

DIRECTORS' REPORT Contd.**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 behaviour, 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 there under, the Company has not received any complaint of sexual harassment during the year under review.

ACKNOWLEDGEMENT

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

We wish to thank our bankers, investors, rating agencies, customers and all other business associates for their support and trust reposed in us. Your Directors express their deep sense of appreciation for all the employees whose commitment, co-operation, active participation, dedication and professionalism has made the organization's growth possible.

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

For and on behalf of
AAR Shyam India Investment Company Limited

Dated: 02.09.2020
Place: New Delhi

Sd/-
Reena Gupta
Director
(DIN:06966728)

Sd/-
Sanyam Tuteja
Director
(DIN:08139915)

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overview

Non-banking financial companies (NBFCs) form an integral part of the Indian financial system. They play an important role in nation building and financial inclusion by complementing the banking sector in reaching out credit to the unbanked segments of society, especially to the micro, small and medium enterprises (MSMEs), which form the cradle of entrepreneurship and innovation. NBFCs' ground level understanding of their customers' profile and their credit needs give them an edge, as does their ability to innovate and customise products as per their clients' needs. This makes them the perfect conduit for delivering credit to the unbanked and SMEs. However, NBFCs operate under certain regulatory constraints, which put them at a disadvantage position vis-à-vis banks. While there has been a regulatory convergence between banks and NBFCs on the asset side, on the liability side, NBFCs still do not enjoy a level playing field. This needs to be addressed to help NBFCs realise their full potential and thereby perform their duties with greater efficiency.

Industry Structure and Developments

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises of commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities.

So far, Non-banking Finance Companies NBFC(s) have scripted a great success story. Their contribution to the economy has grown in leaps and bounds. In terms of financial assets, NBFC(s) have recorded a healthy growth. With the ongoing stress in the public sector banks due to mounting of bad debts, their appetite to lend (especially in rural areas) is deteriorating.

Opportunities

NBFCs have served the unbanked customers by pioneering into retail asset-backed lending, lending against securities and microfinance. Following variables in the external environment may be seen as opportunities for the Company:

- NBFCs aspire to emerge as a one-stop shop for all financial services
- The sector has witnessed moderate consolidation activities in recent years, a trend expected to continue in the near future
- New banking license-related guidelines issued by RBI place NBFCs ahead in competition for licenses owing largely to their rural network
- New RBI guidelines on NBFCs with regard to capital requirements, provisioning norms & enhanced disclosure requirements are expected to benefit the sector in the long run.

Challenges

Competitive rivalry between big players is intense in the industry

- Financial services companies often compete on the basis of offering lower financing rates, higher deposit rates and investment services;
- Stringent regulatory norms prevent new entrants;
- Customers prefer to invest their money with a reputed financial services company offering a wide range of services;
- Low bargaining power of suppliers as the industry is highly regulated by RBI;
- Medium bargaining power of customers. Although customers do not have much bargaining power, they can easily switch to another company based on the terms and quality of services provided.

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

STRENGTH:

The existing management has a strong technical, finance and administrative expertise in various industries and corporate sectors including the business of the Company.

Internal Control Systems and their adequacy

Given the magnitude and nature of its business, the Company has maintained sound and commercial practice with an effective internal control system. The system ensures that all transactions are authorized, recorded and reported correctly to safeguard the assets of the Company and protect them from any loss due to unauthorized use or disposition. The adequate internal information system is in place to ensure proper information flow for the decision-making process. The Company also has well-established processes and clearly defined roles and responsibilities for people at various levels. The control mechanism also involves well documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses, adherence to which is strictly ensured. Internal audit is carried out frequently to create awareness and to take corrective actions on the respective units or areas, which need rectification.

Outlook, risks and concerns

This section lists forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. Our Outlook, risks and Concerns inter-alia as follows:

1. Our revenues and expenses are difficult to predict and can vary significantly from period to period.
2. Our success depends in large part upon our management team and key personnel, and our ability to attract and retain them.

Covid-19 Pandemic

The Corona Virus (Covid-19) Pandemic has contributed to a significant decline and volatility in global and Indian markets, and significant decrease in economic activity. On March 24, 2020 the Government of India announced a nation-wide lockdown till April 14, 2020, which was extended till May 31, 2020 through subsequent announcements, to control the spread of the virus. From 1st June onwards, further relaxations in lockdown has been granted across the country, which has helped the company employees to contact the borrowers. This has lead to significant disruption and dislocations for individuals and businesses, impacting the company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers.

Segment-wise or product-wise performance.

Please refer financial statement for this.

Exchange Rate Fluctuation

The functional currency of your Company is the Indian rupee.

Human Resources

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potential of its employees attracting and retaining the best manpower available by providing high degree of motivation.

Your Company believes in trust, transparency & teamwork to improve employees productivity at all levels.

Discussion on Financial Performance With Respect To Operational Performance

The financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The details of the

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Accounts and other financial statements forming part of this annual report.

Significant Change in Financial Ratios

Based on the reported financial statements, following are the key financial ratios with respective variations:

Particular	31.03.2020 (%)	31.03.2019 (%)
Current Ratio	636.73	441.79
Debt Equity Ratio	10.81	9.61
Operating Profit Margin	139.86	416.82
Net Profit Margin	143.39	437.66
Return on Net Worth	-12.45	-9.54
Net Interest Margin	7.77	9.57

The several ratios presented under 'Key Ratios', above mentioned ratios have declined by more than 25% over the previous year except debt equity ratio.

Disclosures

During the year the Company has not entered into any transaction of material nature with its promoters, the directors or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the Company at large.

All details of transaction covered under related party transaction are given in the notes to account.

Cautionary Statement

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

2. Disclosure of Accounting Treatment

The Company has prepared their annual financial results for the year ended March 31, 2020 in accordance with the applicable Indian Accounting Standards (Ind AS).

MANAGEMENT DISCUSSION AND ANALYSIS Contd.
ANNEXURE “1” TO DIRECTORS’ REPORT

Form No. MGT-9 (EXTRACT OF ANNUAL RETURN)
as on the financial year ended on 31.03.2020

[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	B-42, Lower Ground Floor, Panchsheel Enclave, New Delhi -110 017
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MAS Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase-II New Delhi-110020 Tel. No. : 011-26387281/82/83 Fax No.: 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		
A. Promoters										
1. Indian										
1. Individual/ HUF	-	-	-	-	-	-	-	-	-	-
2. Central Govt	-	-	-	-	-	-	-	-	-	-
3. State Govt(s)	-	-	-	-	-	-	-	-	-	-
4. Bodies Corp.	257440	-	257440	8.581	257440	-	257440	8.581	-	-
5. Banks /FI	-	-	-	-	-	-	-	-	-	-
6. Any Other	-	-	-	-	-	-	-	-	-	-
Sub-total (A) 1	257440	-	257440	8.581	257440	-	257440	8.581	-	-

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

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	
2. Foreign									
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. Other-Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	-	-	-	-	-	-	-	-
d. Banks / FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) 2	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Banks/FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	-	-	-
g. FIIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) 1	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a. Bodies Corp.	1367510	-	1367510	45.58	1367509	-	1367509	45.58	0.00
b. Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	47	15000	15047	0.50	410	15000	15410	0.51	0.01
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1360003	-	1360003	45.34	1359641	-	1359641	45.33	(0.01)
c. Others									
i. NRI	-	-	-	-	-	-	-	-	-
ii. Clearing Members	-	-	-	-	-	-	-	-	-
iii. Trust	-	-	-	-	-	-	-	-	-
Sub-total (B) 2	2727560	15000	2742560	91.42	2727560	15000	2742560	91.42	0.000
Total Public Shareholding (B) = (B) 1+(B) 2	2727560	15000	2742560	91.42	2727560	15000	2742560	91.42	0.000
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	2985000	15000	3000000	100	2985000	15000	3000000	100	--

ii) Shareholding of Promoters

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

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

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.		No. of shares	% of total shares of the Company	No. of shares	% of total share 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.	Plus Corporate Ventures Pvt. Ltd.	3,50,000	11.67	3,50,000	11.67
2.	Venera Property Pvt Ltd	1,42,500	4.75	1,42,500	4.75
3.	Kalyani Barter Pvt Ltd.	1,25,000	4.17	1,25,000	4.17
4.	Rakesh Kumar Bansal	5,62,503	18.75	5,62,503	18.75
5.	Shreyans Logistics Private Ltd.	3,50,000	11.67	3,50,000	11.67
6.	C N Flour Mills Private Ltd.	2,00,000	6.67	2,00,000	6.67
7.	Supriyo Bandyopadhyay	2,00,000	6.67	2,00,000	6.67
8.	Sanjeev Gupta	1,45,000	4.84	1,45,000	4.84
9.	Harsimrat Investments Private Limited	1,00,000	3.34	1,00,000	3.34
10.	Dhiru Real Estates Private Ltd.	1,00,000	3.34	1,00,000	3.34

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

v) Shareholding of Directors and Key Managerial Personnel

S. 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.	Sanyam Tuteja Whole-Time Director				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding 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.	Manish Independent Director (appointed w.e.f. 12.08.2019)				
	At the beginning of the year				
	Date wise Increase / Decrease in 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				
3.	Jitendra Jain Independent Director (resigned on 12.08.2019)				
	At the beginning of the year				
	Date wise Increase / Decrease in 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				
4.	Reetika Choubey Non-Executive Director (resigned on 12.08.2019)				
	At the beginning of the year				
	Date wise Increase / Decrease in 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				
5.	Beenu Agarwal Non-Executive Director				
	At the beginning of the year				
	Date wise Increase / Decrease in 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				

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

S. No.	Plus Corporate Ventures Pvt. Ltd.	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.	Reena Gupta Independent Director				
	At the beginning of the year				
	Date wise Increase / Decrease in 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				
7.	Mr. Dinesh Kumar Chief Financial Officer (resigned on 12.02.2020)				
	At the beginning of the year				
	Date wise Increase / Decrease in 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				
8.	Ms. Princy Anand Company Secretary				
	At the beginning of the year				
	Date wise Increase / Decrease in 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				
9.	Mr. Abhay Nath Jha Chief Financial Officer (appointed w.e.f. 25.06.2020)				
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.)			NIL	
	At the End of the year				

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	34,00,000	-	34,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	34,00,000	-	34,00,000

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-			
i) Principal Amount		34,00,000	-	34,00,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	34,00,000	-	34,00,000

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-Time Director and/or Manager

S. No.	Particulars of Remuneration	Name of CEO/ MD/WTD	Total Amount (in Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL
	(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	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	• As a % of profit	-	-
	• Others, specify		
5.	Others	-	-
	TOTAL (A)	NIL	NIL
Ceiling as per the Act			

B. Remuneration to other Directors Independent Directors

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

Other Non-Executive Directors

S. No.	Particulars of Remuneration	Name of Directors	Total Amount (in Rs.)
2.	• Fee for attending Board/Committee Meetings • Commission • Others, please specify	No Director is drawing any remuneration from the Company	
	TOTAL		NIL
	TOTAL (B) = 1+2		NIL
Overall Ceiling as per the Act			

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

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

S. No.	Particulars of Remuneration	Company Secretary	Chief Financial Officer
		Princy Anand	Dinesh Kumar (up to 12.02.2020)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,80,000	2,08,276
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary undersection 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	• As a % of profit	-	-
	• Others, specify	-	-
5.	Others, please specify	-	-
	TOTAL	1,80,000	2,08,276

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
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

Annexure 2 to Directors' Report**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

[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
B-42, Lower Ground floor, Panchsheel Enclave,
New Delhi -110017

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 31st March, 2020 ('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 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) Indian Stamp Act, 1899;
- (vii) Indian Contract Act, 1872;
- (viii) Income Tax Act, 1961 and indirect tax laws;
- (ix) Applicable Labour Laws; and
- (x) Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Non-Deposit taking Non-Banking Financial Companies; which are specifically applicable to the Company.
- (xi) 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 of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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. But some documents, registers, files are needed to be maintained in more improvised and updated manner and should be in more consonance with the secretarial standards and provisions of The Companies Act 2013.
- 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 maybe. But further adherence to the rules and provisions of the act for drafting of minutes and registers will be appreciated.
- The company being NBFC all the RBI compliances have been done on time.
- Due to Covid-19 pandemic, there is a nationwide lockdown because of which there was a limited access to

MANAGEMENT DISCUSSION AND ANALYSIS Contd.

documents, registers, files etc. of the company. We had received all the necessary information over mails and via other electronic means from the company. So, as per the due-diligence done by us of the available records and documents of Company, maintenance of minutes of board meeting and committees and Statutory Registers of the company are in compliance with the applicable secretarial standards and various provisions of The Companies Act, 2013, however further improvement will be appreciated.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Kundan Agrawal & Associates
Company Secretaries
FRN: S2009DE113700**

**Place: Delhi
Date: 31/08/2020**

**Sd/-
Kundan Agrawal
Company Secretary
Membership No.:-7631
C.P. No.8325
UDIN:F007631B000637106**

REPORT ON CORPORATE GOVERNANCE

Introduction

In terms of Regulation 34(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a report on Corporate Governance for the year ended 31st March, 2020 is presented below:

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, 2020, the Board of Directors of the Company consisted of two Independent Directors, one Whole-time director and one Non-Executive Director.

None of the Directors hold directorship in more than ten public limited companies or act as an Independent Director in more than seven Listed Companies. None of the Directors acts as a member of more than ten or Chairman of more than five Committees as on March 31, 2020 across all public limited companies in which they are Directors.

The details of the number of Board and General Meeting(s) attended by each Director during the year 2019-20 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, 2020, are given below:

REPORT ON CORPORATE GOVERNANCE Contd.

(a) Composition of the Board:

Name of Director	Category	No. of Board Meetings during 2019-20		Whether attended the last AGM	No. of Directorships in other public companies	No. of committees membership in other public Cos. including Chairmanship
		Held during tenure	Attended			
Ms. Beenu Aggarwal	Non- Executive Director	5	1	No	1	1
Mr. Sanyam Tuteja	Whole Time Director	5	5	Yes	-	-
Mr. Jitendra Jain (up to 12.08.2019)	Independent, Non-Executive	2	1	No	-	-
Ms. Reena Gupta	Independent, Non-Executive	5	4	Yes	1	1
Ms. Reetika Choubey (up to 12.08.2019)	Non- Executive	2	1	No	-	-
Mr. Manish (w.e.f. 12.08.2019)	Independent, Non-Executive	4	3	No	-	-

(b) Number of Board Meetings:

During the financial year 2019-2020, Five (5) Board Meetings were held on May 30, 2019, August 12, 2019, August 30, 2019, November 14, 2019 and February 12, 2020. And as per companies act, 2013, the maximum interval between any two meetings was not more than 120 days.

(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;

REPORT ON CORPORATE GOVERNANCE Contd.

- 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 February 12, 2020, inter alia, to discuss:

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

All the Independent Directors were present at the meeting.

(g) Code of Conduct:

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

In terms of the requirements of 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. All the members of the Board and senior management personnel have affirmed compliance with the Code for the year ended 31st March, 2020.

(h) Declaration regarding compliance of Code of Conduct:

REPORT ON CORPORATE GOVERNANCE Contd.

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, 2020. 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 SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, 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:

- Ms. Reena Gupta –Chairman
- Mr. Manish – Member (appointed w.e.f. 12.08.2019)
- Mr. Jitendra Jain – Member (resigned on 12.08.2019)
- Ms. Beenu Agarwal –Member

All the Members of the Committee have vast experience and knowledge of finance, accounts and corporate laws; and possess finance, accounting and taxation related expertise. The quorum for the Meeting of the Audit Committee is as per applicable laws. During the financial year 2019-20, Audit Committee met four (4) times and the attendance of the Directors on the above meetings was as follows:-

Director	No. of meetings held during tenure	No. of meetings attended
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REPORT ON CORPORATE GOVERNANCE Contd.

Ms. Reena Gupta	4	4
Mr. Manish	3	3
Mr. Jitendra Jain	2	1
Ms. Beenu Aggarwal	4	2

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 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

(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 has constituted "Nomination and Remuneration Committee" consisting of 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:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management personnel;
- 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;

REPORT ON CORPORATE GOVERNANCE Contd.

- 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 Non-Executive/Independent
Mr. Manish	Chairman	Independent
Ms. Reena Gupta	Member	Independent
Ms. Beenu Agarwal	Member	Non-Executive

During the financial year 2019-20, the Nomination & Remuneration Committee met once, on 12th February, 2020. The attendance of the members of the Committee was as follows:-

Director	No. of meetings held	No. of meetings attended
Mr. Manish	1	1
Ms. Beenu Agarwal	1	1
Ms. Reena Gupta	1	1

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

REPORT ON CORPORATE GOVERNANCE Contd.

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 up to 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 2019-20:

Remuneration paid to the Director(s) forms part of the extract of Annual Return, which forms part of Directors' report.

(c) Stakeholders Relationship Committee:

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

- Ms. Beenu Agarwal(Chairman)
- Mr. Manish (Member)

REPORT ON CORPORATE GOVERNANCE Contd.

The role 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 February 12, 2020. Details of Meeting have been given below.

Director	No. of meetings held	No. of meetings attended
Ms. Beenu Agarwal	1	1
Mr. Manish	1	1

Annual General Meetings

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

Financial Year	Date	Time	Place
2016-17	29.09.2017	02:00 p.m.	L-7, Menz. Floor, Green Park Extension, New Delhi – 110016
2017-18	28.09.2018	02:00 p.m.	La'ola Boutique Hotel, D-55, East of Kailash, Opposite Sapna Cinema, New Delhi- 110065
2018-19	26.09.2019	10:00 a.m.	B-42, Lower Ground Floor, Panchsheel Enclave, New Delhi -110 017

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 formulated Whistle Blower Policy to establish a Vigil Mechanism for directors and employees of the Company and the details are provided at page 32 of this report. The Company affirms that no personnel has been denied access to the audit committee.
- (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, 2020 are as under:

S.No.	Name of the Director	No. of shares held
1	Mr. SanyamTuteja	Nil
2	Mr. Jitendra Jain	Nil
3	Mr. Manish	Nil
4	Ms. Beenu Aggarwal	Nil
5	Ms. Reena Gupta	Nil
6	Ms. Reetika Choubey	Nil

REPORT ON CORPORATE GOVERNANCE Contd.

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

Means of communication

The Quarterly, Half Yearly and Annual Results are communicated to the BSE Limited and 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 'Financial Express (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 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 providing the basic information about the Company such as details of our business, financial information, shareholding pattern, compliance with corporate governance, company policies, 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

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	27th September, 2020
Time	01.00 p.m.
Venue	The Company is conducting meeting through VC pursuant to MCA circular for details please refer to the Notice of AGM.

- Listing:**

Sl. No.	Name & address of stock exchanges
1	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata – 700 001
2	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

The Company has paid the Annual listing fee for the year 2020-21 to BSE; and the company has initiated the process for removing the company from CSE. However, the company is complying with all the statutory requirements of the exchange.

REPORT ON CORPORATE GOVERNANCE Contd.
StockCode:

- The Calcutta Stock Exchange Ltd, Kolkata : 11600
- BSE Limited, Mumbai : 542377
- 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:

Physical transfer of shares has been stopped by SEBI w.e.f. 01 April, 2019. Before making any transfer, the shareholder needs to convert their shareholding in demat form and contact their respective Depository Participants. 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.

Distribution of Equity Shareholding:
(a) Shareholding Pattern as on 31st March,2020

Category	No. of Shareholders	No. of Shares	% of Shareholding
Promoter holding			
Individuals/HUF	-	-	-
Bodies Corporate	1	257440	8.58
Total Promoter holding	1	257440	8.58
Non-promoter holding			
Institutions/banks	-	-	-
Bodies Corporate	8	1367503	45.58
Individuals	185	1375051	45.84
NRIs/OBCs	-	-	-
Clearing members	1	6	Negligible
Others (if any)	-	-	-
Total Non-promoter holding	194	2742560	91.42
Total	195	3000000	100

(b) Distribution of shareholding as on 31st March, 2020

No. of Share held	Shareholders		Share Amount	
	Number	% to Total	In Rupees	% to Total
1 TO 5000	175	89.743	1,44,890	0.483
5001 TO 10000	1	0.513	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	19	9.744	2,98,45,810	99.486
Total	195	100	3,00,00,000	100

REPORT ON CORPORATE GOVERNANCE Contd.

- **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, 2020, 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.

Important information for necessary action of shareholders:

It is informed to the shareholders that pursuant to the amendment in Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, request for effecting transfer of securities (Equity Shares) shall not be processed unless securities are held in dematerialized form with a depository. This amendment shall come into force with effect from April 01, 2019, as extended by SEBI.

In other words, request for effecting transfer of equity shares held in physical form will not be processed from the effective date i.e. April 01, 2019. It shall be mandatory to convert physical holding into electronic mode i.e. in demat, for transferring shares to another person(s)/entity(s).

In view of the aforesaid, all the shareholders holding shares in physical form are further advised to convert their shareholding from Physical form to Demat form with a Depository Participant of their choice. The following are the few advantages of holding securities in electronic mode i.e. demat:

1. Freedom from physical storage and Contribution to the 'Green Initiative';
2. Elimination of chances of theft, mutilation, defacement etc.;
3. There is no need to bear stamp duty for transfer of securities; this brings down the cost of transaction significantly;
4. Easy to carry out any change/ alteration in personal particulars across all companies in which securities are held by making single request with your Depository Participant;
5. Monitoring of securities held in Demat form can be done from anywhere

- **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,
B-42, Lower Ground Floor, Panchsheel Enclave,
New Delhi -110 017
Email :info@aarshyam.in
Website: www.aarshyam.in

(b) **Registrar & Share Transfer Agent:**

Mas Services Limited
T-34, 2nd Floor, Okhla Indl. Area, Phase - II, New Delhi -110020
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/-

Sanyam Tuteja

Director

DIN : 08139915

Sd/-

Reena Gupta

Director

DIN : 06966728

REPORT ON CORPORATE GOVERNANCE Contd.

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 conditions of Corporate Governance by **Aar Shyam India Investment Company Limited** ('the Company'), for the year ended 31 March 2020 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has generally comply with all the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

**For Kundan Agrawal & Associates
Company Secretaries
FRN:S2009DE113700**

**sd/-
Kundan Agrawal
Company Secretary
Membership No.:-7631
C.P. No.8325**

**Place: Delhi
Date: 31/08/2020**

REPORT ON CORPORATE GOVERNANCE Contd.

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.

Place: New Delhi

Date: 02.09.2020

**Sd/-
Sanyam Tuteja
Director
DIN : 08139915**

REPORT ON CORPORATE GOVERNANCE Contd.

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, 2020 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/-
Abhay Nath Jha
Chief Financial Officer

Sd/-
Sanyam Tuteja
Whole-Time Director

Place: New Delhi
Date: 02.09.2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AAR SHYAM INDIA INVESTMENT COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Aar Shyam India Investment Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("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 March 31, 2020, the profit and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition</p> <p>The total expected cash flows of the instrument over the life of the instrument must be substantially based on the profit or loss, change in the recognized net assets or fair value of the recognized and un recognized net assets of the entity over the life of the instrument. Profit or loss and the change in the recognized net assets shall be measured in accordance with relevant accounting principles generally accepted in India.</p> <p>We believe that Revenue from sale of shares /Securities because of its significance to profits, the high volume of revenue transactions associated with trading of securities and the judgment required in recognizing revenue from sale of securities.</p>	<p>Our procedures included, amongst others, data analysis of the expected flows of revenue transactions and performing testing over transactions that deviated from our expectations.</p>

INDEPENDENT AUDITOR'S REPORT Contd.

Key audit matters	How our audit addressed the key audit matter
Transition to Ind AS accounting framework	
<p>The company has adopted Ind AS from 1 April 2018 with an effective date of 1 April 2017 for such transition. For periods up to and including the year ended 31.03.2018, the company had prepared and presented its financial statements in accordance with the erstwhile generally accepted accounting principles in India (Indian GAAP). To give effect of the transition to Ind AS, these financial statements for the year ended 31 March 2019, together with the comparative financial information for the previous year ended 31 March 2018 and the transition date Balance Sheet as at 1 April 2017 have been prepared under Ind AS.</p> <p>The Transition has involved significant change in the Company's policies and process for financial reporting, including generation of supportable information and applying estimates to inter alia determine impact of Ind AS on accounting and disclosure requirements prescribed under extant Reserve Bank of India (RBI) directions.</p> <p>In view of the complexity involved, Ind AS transition and the preparation of financial statements subsequent to the transition date have been area of key focus in our audit.</p>	<p>Read the Ind AS impact assessment performed by the management and the result changes made to the accounting policies considering the requirements of the new framework.</p> <p>Evaluated the exemptions and exceptions allowed by the Ind AS and applied by the Management in applying the first time adoption principles of the Ind AS 101 in respect of fair valuation of assets and liabilities as at transition date.</p> <p>Tested the accounting adjustments posted as at the transition date and in respect of the previous year to convert the financial information reported under erstwhile Indian GAAP to Ind AS.</p> <p>Tested the disclosures prescribed under Ind AS.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT Contd.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the

INDEPENDENT AUDITOR'S REPORT Contd.

matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 including Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act, read with Section 469 of Companies Act, 2013
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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, as amended 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, if any, on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the company for the financial year ended March 31, 2020.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For STRG & Associates
Chartered Accountants
FRN : 014826N

CA Rakesh Gupta
Partner
M No. 094040
UDIN - 20094040AAAACM4676

Place: New Delhi
Date: 25.06.2020

INDEPENDENT AUDITOR'S REPORT Contd.

“Annexure A” 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 **Aar Shyam India Investment Company Limited** (“the Company”) as of 31st March 2020 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INDEPENDENT AUDITOR'S REPORT Contd.

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.

Opinion

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 31st March 2020, 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
UDIN - 20094040AAAACM4676

Place: New Delhi
Date: 25.06.2020

INDEPENDENT AUDITOR'S REPORT Contd.

“Annexure B” to the Auditors’ Report

The Annexure referred to in our report to the members of **Aar Shyam India Investment Company Limited** (the Company’) for the year ended on 31ST March, 2020. We report that:

1. The Company does not own any fixed assets: accordingly the provisions of the clause 3(i)(a),3(i)(b) & 3(i)(c), of the Companies Order,2016 are not applicable to the Company.
2. The company does not own any inventory during the year; accordingly the provisions of clause 3(ii) of the Companies Order ,2016 are not applicable to the company.
3. The Company has not granted unsecured loan to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. 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 Act, with respect to the loans and investments made during the year.
5. The Company has not accepted any deposits during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
6. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company’s products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
7. (a) According to the information and explanation given to us and based on our examination of records of the company. the company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
(b) According to the information & explanations given to us There are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess (except Tds demand of Rs 6115/- raised by income tax department for the Assessment Year 2020-21 & Prior periods) that have not been deposited with the appropriate authorities on account of any dispute.
8. In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. No fraud on or by the Company has been noticed or reported during the period covered by our audit.
11. The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V to the Act during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT Contd.

14. According to the information and explanations give to us and based on our examination of the records of the Company, 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.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. 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**

**Place New Delhi
Date 25.06.2020**

**CA Rakesh Gupta
Partner
M. No: 094040
UDIN - 20094040AAAACM4676**

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED
Balance Sheet as at 31st March 2020

				(Amount in Rs.)
	Notes	as on 31.03.2020	as on 31.03.2019	as on 01.04.2018
ASSETS				
Non-Current Assets				
Fixed Assets		-	-	-
Non-current investments	3	1,18,31,649	2,25,59,958	2,18,14,459
Long Term Loans & Advances		-	-	-
Other Non Current Assets		-	-	-
Current Assets				
Current Investments		-	-	-
Inventories		-	-	-
Trade receivable	4	39,91,105	39,89,378	41,78,349
Cash and cash equivalents	5	5,16,587	4,70,564	54,36,457
Short Term Loan & Advances	6	1,78,18,654	1,12,48,184	1,03,19,434
Other current assets	7	9,49,104	8,68,440	6,41,292
TOTAL		<u>3,51,07,099</u>	<u>3,91,36,524</u>	<u>4,23,89,992</u>
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share capital	8	3,00,00,000	3,00,00,000	3,00,00,000
Reserves and surplus	9	14,51,605	53,84,400	87,62,923
Non Current Liabilities				
Long Term Borrowings		-	-	-
Deferred Tax Liability		-	-	-
Current Liabilities				
Short-term borrowings	10	34,00,000	34,00,000	34,00,000
Trade Payable		-	-	-
Other current liabilities	11	90,285	1,39,201	57,547
Short-term provisions	12	1,65,208	2,12,923	1,69,522
TOTAL		<u>3,51,07,099</u>	<u>3,91,36,524</u>	<u>4,23,89,992</u>

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

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

(CA Rakesh Gupta)
Partner
Membership No. 094040

Sanyam Tuteja
Director
DIN 08139915

Reena Gupta
Director
DIN 06966728

Place: New Delhi
Date: June 25, 2020

Abhay Nath Jha
CFO
PAN: BYQPJ9207D

Princy Anand
Company Secretary
PAN: AYYPP4383R

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED
Statement of Profit and loss for the year ended 31st March 2020

(Amount in Rs.)			
	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Income			
Revenue From Operations	13	(52,02,971)	30,05,429
Other Income	14	24,71,741	(37,76,842)
Total Revenue		(27,31,230)	(7,71,413)
Expenses:			
Cost of Material Consumed		-	-
Purchase of Stock In Trade		-	-
Changes In the Inventories		-	-
Employee Benefit Expenses	15	3,88,276	5,40,000
Finance Cost	16	944	985
Depreciation & Amortization Expenses		-	-
Other Expenses	17	7,00,257	19,04,000
Total Expenses		10,89,477	24,44,986
Profit Before Exceptional & Extraordinary Items and tax		(38,20,707)	(32,16,399)
Less:-Exceptional Items		-	-
Profit /(Loss) Before Tax		(38,20,707)	(32,16,399)
Tax Expense:			
Current tax		95,661	1,59,803
MAT Credit		-	-
Profit /(Loss) for the Period		-39,16,368	-33,76,202
Earnings per equity share of Rs 10 each:			
(1) Basic		(1.31)	(1.13)
(2) Diluted		(1.31)	(1.13)

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

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

(CA Rakesh Gupta)
Partner
Membership No. 094040

Sanyam Tuteja
Director
DIN 08139915

Reena Gupta
Director
DIN 06966728

Place: New Delhi
Date: June 25, 2020

Abhay Nath Jha
CFO
PAN: BYQPJ9207D

Princy Anand
Company Secretary
PAN: AYYPP4383R

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	as on 31.03.2020 (Rs.)	as on 31.03.2019 (Rs.)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after Tax	-39,16,368	(33,76,202)
Add: Provision For Income Tax	95,661	1,59,803
Net profit before tax	(38,20,707)	(32,16,399)
adjustments for :		
Provision reversed for dimunition of Investment	-	-
Operating profit before working capital changes	(38,20,707)	(32,16,399)
Ajustments for :		
(Increase)/Decrease in Trade receivable	(1,727)	1,88,971
(Increase)/Decrease in short Term Loan & Advances	(65,70,470)	(9,28,750)
(Increase)/Decrease in other current assets	(80,664)	(2,27,148)
Increase/(Decrease) in Trade and other payables	(48,916)	81,654
Increase/ (Decrease) in short term provisions	(47,715)	43,401
Cash generated from operations	(1,05,70,198)	(40,58,271)
Direct taxes refund/(paid)	-95,661	-1,59,803
Provision For standard Asset (Created)/Reversed	(16,427)	-2,321
Net Cash flow Generated from Operating Activities (A)	-1,06,82,286	-42,20,395
B. CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/Sale of investments	10728308.64	(7,45,499)
Net Cash Flow Generated from Investing Activities (B)	1,07,28,309	(7,45,499)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Repayment of unsecured Loan	-	-
Net Cash Generated from Financing Activities (C)	-	-
Net increase in Cash & Cash Equivalents (A + B + C)	46,023	-49,65,894
Opening cash and cash equivalents	4,70,564	54,36,457
Closing cash and cash equivalents	5,16,587	4,70,564
Cash & Cash equivalents as stated in Balance Sheet		
Cash in Hand	124	124
Cash at Bank	5,16,464	4,70,440
Cheque in hand	-	-
Cash & Cash equivalents as stated in Balance Sheet	5,16,587	4,70,564

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: June 25, 2020

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

Sanyam Tuteja
Director
DIN 08139915

Abhay Nath Jha
CFO
PAN: BYQPJ9207D

Reena Gupta
Director
DIN 06966728

Princy Anand
Company Secretary
PAN: AYYPP4383R

AAR SHYAM INDIA INVESTMENT COMPANY LIMITED
Statement of changes in equity for the year ended 31.03.2020

Particulars	Share capital	Security Premium	Retained earnings	Statutory Reserve	Special Reserve	Revaluation Surplus	Total equity
	Rs	Rs	Rs	Rs	Rs	Rs	Rs
Balance at 01.04.2018	3,00,00,000	-	53,67,637	33,45,286	50,000	-	3,87,62,923
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	3,00,00,000	-	53,67,637	33,45,286	50,000	-	3,87,62,923
Changes in equity for the Financial Year							
Issue of share capital	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Income for the year	-	-	(33,76,202)	-	-	-	(33,76,202)
Revaluation gain	-	-	-	-	-	-	-
Transfer During the Year	-	-	(1,53,718)	1,51,397	-	-	(2,321)
Balance at 31.03.2019	3,00,00,000	-	18,37,717	34,96,683	50,000	-	3,53,84,400
Changes in equity for the Financial Year							
Issue of share capital	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Income for the year	-	-	(39,16,368)	-	-	-	(39,16,368)
Revaluation gain	-	-	-	-	-	-	-
Transfer During the Year	-	-	(16,427)	-	-	-	(16,427)
Balance at 31.03.2020	3,00,00,000	-	(20,95,077)	34,96,683	50,000	-	3,14,51,605

For STRG & Associates
Chartered Accountants
FRN : 014826N

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

(CA Rakesh Gupta)
Partner
Membership No. 094040

Sanyam Tuteja
Director
DIN 08139915

Reena Gupta
Director
DIN 06966728

Place: New Delhi
Date: June 25, 2020

Abhay Nath Jha
CFO
PAN: BYQPJ9207D

Princy Anand
Company Secretary
PAN: AYYPP4383R

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

03. Non Current Investments

	(Amount in Rs.)		
Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Investments - Other			
Quoted			
Investment in Equity Shares Fully paid up	30,32,651	84,99,219	1,31,38,632
Unquoted-			
Investment in Preference Shares	77,00,000	77,00,000	77,00,000
Fixed Deposit			
with Corporation Bank	10,98,998	63,60,739	9,75,827.00
Total	1,18,31,649	2,25,59,958	2,18,14,459
Less : Provision For diminution in the value of investments	-	-	-
Total	1,18,31,649	2,25,59,958	2,18,14,459

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Aggregate amount of quoted Investment	30,32,651	84,99,219	1,31,38,632
Aggregate amount of unquoted Investment	77,00,000	77,00,000	77,00,000
Total	1,07,32,651	1,61,99,219	2,08,38,632
Market Value of quoted Investments	30,32,651	84,99,219	1,31,38,632

4. Trade receivables

	(Amount in Rs.)		
Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Trade Receivable			
Unsecured, considered good outstanding for a period exceeding six months	39,91,105	39,91,105	39,91,105
Less than 6 months	-	(1,727)	1,87,244
	39,91,105	39,89,378	41,78,349

5. Cash and cash equivalents

	(Amount in Rs.)		
Particulars	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Cash in hand	124	124	124
Balances with banks			
In current accounts	5,16,464	4,70,440	54,36,334
	5,16,587	4,70,564	54,36,457

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

6. Short Term Loan & Advances

Particulars	(Amount in Rs.)		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good Loans and Advances			
-to related parties	-	-	-
-to Others	1,78,18,654	1,12,48,184	1,03,19,434
	1,78,18,654	1,12,48,184	1,03,19,434

7. Other current assets

Particulars	(Amount in Rs.)		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Income Tax Refundable	1,63,471	1,68,874	1,68,874
Input Gst	6,13,669	5,27,414	4,55,673
Mat Credit	4,924	16,745	16,745
Rent Security	15,000	15,000	-
TDS A.Y 2019-20	-	1,40,407	-
Advance for expenses	10,620	-	-
TDS A.Y 2020-21	1,41,420	-	-
	9,49,104	8,68,440	6,41,292

8. Share capital

Particulars	(Amount in Rs.)			
	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs. 10/- each	35,00,000	3,50,00,000	35,00,000	3,50,00,000
	35,00,000	3,50,00,000	35,00,000	3,50,00,000
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs.10/- each	30,00,000	3,00,00,000	30,00,000	3,00,00,000
	30,00,000	3,00,00,000	30,00,000	3,00,00,000

(i) Particulars	As at 31 March 2020	As at 31 March 2019
	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	30,00,000	30,00,000
Add: Shares issued during the year	-	-
Balance at the end of the year	30,00,000	30,00,000
Reconciliation of Share Capital Outstanding at the Beginning and at the End of the Reporting Period:		
Balance at the beginning of the reporting period	3,00,00,000	3,00,00,000
Add: Share Capital issued during the year	-	-
Balance at the end of the year	3,00,00,000	3,00,00,000

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

- (i) The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 are set out below

Equity Shareholders

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
C N FLOUR MILLS PRIVATE LIMITED	200000	6.67	200000	6.67
K K MODI INVESTMENT AND FINACIAL SERVICES PVT. LTD.	257440	8.58	257440	8.58
PLUS CORPORATE VENTURES PRIVATE LIMITED	350000	11.67	350000	11.67
RAKESH KUMAR BANSAL	562503	18.75	562503	18.75
SHREYANS LOGISTICS PRIVATE LIMITED	350000	11.67	350000	11.67
SUPRIYO BANDYOPADHYAY	200000	6.67	200000	6.67

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

9. Reserves and surplus

Particulars	(Amount in Rs.)		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Special Reserve			
Opening Balance	50,000	50,000	50,000
(+) Current year transfer	-	-	-
Closing Balance	50,000	50,000	50,000
Statutory Reserve *			
Opening Balance	34,96,683	33,45,286	32,74,839
(+) Current Year Transfer	-	1,51,397	70,447
Closing Balance	34,96,683	34,96,683	33,45,286
Surplus			
Opening balance	18,37,717	53,67,637	81,84,511
Add: Net Profit/(Net Loss) For the current year	(39,16,368)	(33,76,202)	(27,62,134)
Less: Transfer to Statutory Reserves	-	1,51,397	70,447
Less: Provision for Standard Assets	16,427	2,321	(15,707)
Recasting Loss on investment	-	-	-
	(20,95,078)	18,37,717	53,67,637
	14,51,605	53,84,400	87,62,923

10. Short-term borrowings

Particulars	(Amount in Rs.)		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Unsecured:			
Loan From Corporates	34,00,000	34,00,000	34,00,000
Total	34,00,000	34,00,000	34,00,000

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

11. Other current liabilities

Particulars	(Amount in Rs.)		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Expenses Payable			
Other	89,035	1,04,201	54,547
Salary	-	35,000	-
Duties & Taxes			
TDS Payable	1,250	-	3,000
Total	90,285	1,39,201	57,547

12. Other current liabilities

Particulars	(Amount in Rs.)		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Provision for Income tax	95,661	1,59,803	1,18,723
Provision Against Standard Assets	44,547	28,120	25,799
Audit fees	25,000	25,000	25,000
Total	1,65,208	2,12,923	1,69,522

13. Revenue from operations

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest income	11,29,664	10,31,943
Interest on FD	2,65,746	3,72,690
MTM Currency Credit	-	94,726
MTM FO & DO Credit	-	12,72,908
Profit on Intraday share trading	(7,701)	17,210
Short Term Gain on Sale of Shares	-	75,356
Long Term Gain on Sale of Shares	(65,90,680)	1,40,597
Total	(52,02,971)	30,05,429

14. Other Income

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Dividend Income	78,065	67,844
Other Comprehensive Income(Recasting Impact of Investment)	23,89,896	(39,73,385)
Interest On Income Tax Refund	217	-
Miscellaneous Income	3,563	1,28,700
Total	24,71,741	(37,76,842)

15. Employee Benefit Expenses

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2020	For the year ended 31st March 2019
Salary	3,88,276	5,40,000
Total	3,88,276	5,40,000

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

16. Finance Cost

Particulars	(Amount in Rs.)	
	As at 31 March 2020	For the year ended 31st March 2019
Bank Charges	944	985
Total	944	985

17. Other expenses

Particulars	(Amount in Rs.)	
	As at 31 March 2020	For the year ended 31st March 2019
Advertisement Expenses	26,663	41,680
Statutory Audit Fees	25,000	25,000
BSE Fees	3,00,000	2,95,000
Broker Expenses	404	1,681
Depository Charges	9,000	18,000
Demat Charges	390	1,068
Exchange Charges	2,000	-
Interest on income tax and Demand	-	11,335
Interest on Tds	9	810
Membership Fees	43,750	-
Misc Expenses	255	1,385
MTM Currency Debit	-	89,901
MTM FO & DO Debit	-	13,11,515
Postage Expenses	77	602
Professional Charges	87,400	74,183
Printing & Stationery Expenses	5,000	5,000
ROC expense	12,400	4,700
Rent	1,80,000	15,000
Server Expenses	3,700	4,200
short & excess	(4)	(60)
Telephone Expenses	4,212	3,000
Total	7,00,257	19,04,000

For STRG & Associates
Chartered Accountants
FRN : 014826N

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

(CA Rakesh Gupta)
Partner
Membership No. 094040

Sanyam Tuteja
Director
DIN 08139915

Reena Gupta
Director
DIN 06966728

Place: New Delhi
Date: June 25, 2020

Abhay Nath Jha
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