

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FINANCIAL  
YEAR ENDED 31 ST MARCH,2020**

(Rs.in Lacs)

Sr.No.	PARTICULARS	QUARTER ENDED 31.3.2020	QUARTER ENDED 31.12.2019	QUARTER ENDED 31.3.2019	YEAR ENDED 31.3.2020	YEAR ENDED 31.3.2019
		AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED
I	Revenue from operations	61.07	40.89	15.91	182.48	240.60
II	Other operating Income	-	-	-	-	-
III	Other Income	(13.94)	4.13	33.62	9.02	21.38
IV	Total revenue (I+II+III)	47.13	45.01	49.53	191.50	261.98
V	Expenses					
	Employee benefits expenses	13.40	12.92	13.16	53.05	51.76
	Finance costs	6.75	-	6.76	20.38	27.30
	Depreciation and amortisation expenses	0.21	0.79	0.87	2.58	3.16
	Other expenses	37.05	26.94	35.68	111.01	132.17
	Total expenses(v)	57.41	40.65	56.47	187.02	214.38
VI	Profit/(Loss) before exceptional items and tax(IV-V)	(10.28)	4.36	(6.94)	4.48	47.59
VII	Exceptional Items	-	-	-	-	-
VIII	Profit/(Loss) before exceptional items and tax(VI-VII)	(10.28)	4.36	(6.94)	4.48	47.59
IV	Tax expenses					
	(1) Current tax	(6.84)	0.26	2.18	3.83	8.00
	(2) Short/Excess provision of Tax	-	-	-	-	-
	(3) Deferred Tax	(15.57)	1.07	1.87	(12.04)	1.05
	(4) MAT Credit Entitlement	5.74	-	(2.31)	5.74	(2.31)
X	Profit/(Loss) for the period (VIII-IV)	6.39	3.03	(8.68)	6.96	40.86
XI	Other Comprehensive Income	-	-	-	-	-
XII	Total Comprehensive Income for the period(X+XI)	6.39	3.03	(8.68)	6.96	40.86
	Comprising Profit(Loss) and Other Comprehensive Income for the period					
XIII	Paid up equity share capital (Face value Rs 10/- per share)	300.00	300.00	300.00	300.00	300.00
XIV	Earnings per equity share					
	(1) Basic	0.21	0.10	(0.29)	0.23	1.36
	(2) Diluted	0.21	0.10	(0.29)	0.23	1.36

	QUARTER ENDED 31.3.2020	QUARTER ENDED 31.12.2019	QUARTER ENDED 31.3.2019	YEAR ENDED 31.3.2020	YEAR ENDED 31.3.2019
Particular	AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED
Financial Information of the Company					
Turnover	61.07	40.89	15.91	182.48	240.60
Profit before interest,depreciation and tax (PBIDT)	(3.32)	5.15	0.69	27.44	78.05
Profit before tax	(10.28)	4.36	(6.94)	4.48	47.59
Profit after tax	6.39	3.03	(8.68)	6.96	40.86

Note:- (1) The above audited financial results were reviewed by the audit committee and take on record by the board of directors on 25th June 2020

(2) The Company has only one business segment namely Stock Broking

(3) The company has adopted Indian Accounting Standards (Ind AS) as notified under section 133 of Companies Act, 2013 read with Company (Indian Accounting Standards) Rules, 2015 from 1st April 2019 and the effective date of Transition is 1st April 2018.

(4) As required by Para 32 of Ind AS 101 , Net Profit Reconciliation between Figures reported under Previous GAAP and Ind AS is as under :

(Rs.in Lacs)

Particulars	For The Quarter ended 31 st March 2019	For The Year ended 31 st March 2019
Net Profit After tax as per Previous GAAP	23.08	36.04
Add :		
Fair Market Valuation	7.91	43.68
Less:		
Profit on sale of Investment	(37.59)	(37.59)
Deferred tax Impact	(2.08)	(1.27)
Net Profit as per Ind AS	(8.68)	40.86

As required under Para 32 of Ind AS 101, Reconciliation of Net worth for the year ended 31 st march 2019 under Previous GAAP and Ind AS is as under :

(Rs.in Lacs)

Particulars	For The Year ended 31 st March 2019
<b>Net worth as per I GAAP</b>	1,244.46
<b>Summary of Ind AS Adjustment</b>	
Gain on Fair value Changes	122.38
Less : Deferred Tax Impact on above	(25.46)
<b>Net Worth as per Ind AS</b>	<b>1,341.38</b>

(5). No Investor Complaint has been received during the quarter ended 31.3.2020. also there is no outstanding complaint as on 31.3.2020.

(6). As there are no extra ordinary items for the period the basic and diluted EPS before and after extraordinary items is identical.

(7) The net gain on Fair market valuation through P&L is shown under 'revenue from operation'.

(8) The figures for last quarter of the current year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended December 31, 2019. The figures up to the end of the nine months period ended December 31, 2019 were subjected to a limited review by the Statutory Auditors of the Company

(9) Results of quarter ended and year ended 31st March 2019 have been restated as per Ind AS.

(10) Previous year figures have been regrouped / re-classified whenever necessary to confirm to current Quarter \ Year

Place:- Chennai  
Date:- 25.06.2020

BY ORDER OF THE BOARD  
FOR ARYAN SHARES AND STOCK BROKERS LIMITED

SHANMUKH NAVIN SHAH Digitally signed by SHANMUKH NAVIN  
SHAH  
Date: 2020.06.25 17:05:30 +05'30'

MANAGING DIRECTOR  
DIN:00554876

## STATEMENT OF ASSETS AND LIABILITIES

(Rs.in Lacs)

<b>ARYAN SHARE AND STOCK BROKERS LIMITED</b> Shreeji Metropolis, New No.7 (Old No.3), 7th Cross Street, Shenoy Nagar, Chennai - 600030 CIN : L65993TN1995PLC031800 Balance Sheet as at 31 March, 2020			
	Particulars	Figures as at 31.03.2020	Figures as at 31.03.2019
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
	(a) Cash and Cash Equivalents	104.27	80.13
	(b) Bank balances other than (a) above	542.00	644.84
	(c) Trade Receivables	3,290.33	3,136.32
	(d) Investments	901.10	809.79
	(e) Other Financial Assets	326.95	319.06
	<b>Sub-Total Financial Assets</b>	<b>5,164.65</b>	<b>4,990.14</b>
<b>2</b>	<b>Non- Financial Assets</b>		
	(a) Current Tax Asset	93.67	88.91
	(b) Deferred Tax Assets	11.27	11.23
	(c) Property , Plant and Equipment	6.00	7.20
	(d) Other Intangible Assets	0.26	0.47
	(e) Other Non-Financial Assets	0.80	6.02
	<b>Sub-Total Non- Financial Assets</b>	<b>112.00</b>	<b>113.82</b>
	<b>TOTAL ASSETS</b>	<b>5,276.65</b>	<b>5,103.95</b>
<b>B</b>	<b>LIABILITIES AND EQUITY</b>		
<b>1</b>	<b>Financial Liabilities</b>		
	(a) Trade Payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,523.38	3,354.53
	(b) Borrowings (Other than debt securities)	300.00	300.00
	(c) Deposits	6.70	7.23
	(c) Other Financial Liabilities	78.93	49.59
	<b>Sub-Total- Financial Liabilities</b>	<b>3,909.00</b>	<b>3,711.34</b>
<b>2</b>	<b>Non Financial Liabilities</b>		
	(a) Provisions	5.85	5.57
	(b) Deferred Tax Liabilities	13.46	25.46
	(c) Other Non- Financial Liabilities		20.21
	<b>Sub-Total- Non-Financial Liabilities</b>	<b>19.30</b>	<b>51.23</b>
<b>3</b>	<b>Equity</b>		
	(a) Equity Share Capital	300.00	300.00
	(b) Other Equity	1,048.34	1,041.38
	<b>Equity attributable to equity shareholders of the Company</b>	<b>1,348.34</b>	<b>1,341.38</b>
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,276.65</b>	<b>5,103.95</b>

Note:- (1) The above audited financial results were reviewed by the audit committee and take on record by the board of directors on 25th June 2020

(2) The Company has only one business segment namely Stock Broking

(3) The company has adopted Indian Accounting Standards (Ind AS) as notified under section 133 of Companies Act, 2013 read with Company (Indian Accounting Standards) Rules, 2015 from 1st April 2019 and the effective date of Transition is 1st April 2018.

(4) Previous year figures have been regrouped / re-classified whenever necessary to confirm to current Quarter \ Year classification Presentation.

BY ORDER OF THE BOARD  
FOR ARYAN SHARES AND STOCK BROKERS LIMITED

SHANMUKH NAVIN SHAH Digitally signed by SHANMUKH NAVIN SHAH  
Date: 2020.06.25 17:03:54 +05'30'

MANAGING DIRECTOR  
DIN:00554876

Place:- Chennai  
Date:- 25.06.2020



## **INDEPENDENT AUDITORS' REPORT**

**To the Members of Aryan Shares and Stock Brokers Limited**

**Report on the Audit of the Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS financial statements of Aryan Shares and Stock Brokers limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Ind AS Financial Statements”)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Indian Accounting Standards (“Ind AS”), of the state of affairs of the Company as at March 31, 2020, its **loss**(including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors’ Responsibilities for the Audit of the Ind AS 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 ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS 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:

S.No.	Key Audit Matters	How our audit addressed the Key Audit matters
1	<p><b>First time adoption of Ind AS framework</b></p> <p><b>Refer note 2.1 for Significant accounting policies and Note no.39 in financial disclosures</b></p> <p>As Disclosed in Note 2.1 to the Financial Statements , the company has adopted the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Company Rules ,2015(as amended ) with effect from 01.04.2019 (01.04.2018 being the transition date) and prepared the first set of financial statement under Ind AS Framework in the current year.</p> <p>For periods up to and including the year ended 31.03.2019, the company prepared its Financial statements in accordance with accounting standards notified under section 133 of the Companies Act,2013, read together with Para 7 of Companies (Accounts)Rules ,2014(Previous GAAP).</p> <p>The first time adoption of Ind AS Financial Statements involved preparation and presentation of addition notes and disclosures as required by Ind AS Framework as compared with Previous GAAP, in addition to it Note 38 of Financial Disclosures which shows the impact of Profit and other Equity from previous GAAP to Ind As, and the impact of restatement on the results of the comparative period due to transition. The areas where there were significant impact on account of first time adoption involved the following standards:</p> <p>A .Ind AS 109 , Financial Instruments – Fair value of Investments</p> <p>B .Ind AS 107 , Financial Instruments</p>	<p>Our procedures in respect of the first time adoption of Ind AS framework included, but were not limited to, the following:</p> <p><b>Design / controls</b></p> <ul style="list-style-type: none"> <li>Assessed the design, implementation and operating effectiveness of key internal controls over management’s evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101.</li> </ul> <p><b>Substantive tests</b></p> <ul style="list-style-type: none"> <li>Evaluated the implementation of exemptions availed by the Company in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards (Ind AS 101).</li> <li>Evaluated the accounting policies adopted by the Company on transition to Ind AS and assessed its appropriateness and the requirements of relevant Accounting standards under the Ind AS framework.</li> <li>Assessed areas of significant estimates and management judgment in line with principles under Ind AS</li> <li>Evaluated the appropriateness and adequacy of Disclosures in financial statements.</li> </ul>

	<p>Disclosures</p> <p>Considering the significance of the event in the current year to the financial statements, the complexities and efforts involved, this matter has been identified as a key audit matter for the current year audit.</p>	
2	<p><b>Valuation of investments carried at fair value</b></p> <p><b>Refer Note 2.5 for Significant accounting policies and Note no. 36 for financial Disclosures</b></p> <p>As on 31.03.2020 company held investment amounting to Rs901.10 Lakhs which represents 17% of the total assets of the company as at 31.03.2020</p> <p>The investment comprise of Mutual funds, Debt funds, bonds and alternate investment Fund, where all the assets are traded in market except alternate investment Fund.</p> <p>All investments which are traded in market are valued by closing price in quoted exchange or net present value of the scheme, as on 31.03.2020. Alternate investment funds are valued at cost.</p> <p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and Is one of the matters of most significant in the financial statements due to the materiality of total value of investments to the financial statements and the complexity involved in the valuation of these investments.</p>	<p>Our audit procedures in relation to valuation of investments included, but were not limited to, the following:</p> <p><b>Design/Controls:</b></p> <ul style="list-style-type: none"> <li>• Obtained a detailed understanding of the management’s process and controls for determining the fair valuation of these investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation;</li> <li>• Evaluated the design and the operational effectiveness of relevant key controls over the valuation process, including the Company’s review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls;</li> </ul> <p><b>Substantive tests:</b></p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the valuation methodologies for varied type of investments in accordance with the Company’s policy and tested the mathematical accuracy of the management’s model adopted for different types of investments;</li> <li>• Ensured the appropriateness of the carrying value of</li> </ul>

		<p>these investments in the financial statements and the gain or loss recognised in the financial statements as a result of such fair valuation; and</p> <ul style="list-style-type: none"> <li>• Ensured the appropriateness of the disclosures in accordance with the applicable accounting standards</li> </ul>
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### **Emphasis of Matter**

We draw attention to the following matter in the notes to the Ind AS financial statements:

Refer Note No. 17 of Notes to accounts and note 35 of Financial Disclosures -considering the number of employees, and since Ind AS 15- Employee Benefits only recommends and does not mandate actuarial valuation for retirement benefits, the Company has continued to provide for Gratuity under the Gratuity Act, 1872.

Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance(including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

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

### **Auditors' Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 this Ind AS 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 Ind AS 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 control 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 with reference to financial statements 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, 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

## **Other Matter**

### **a) Comparative financial information and opening balance sheet audited by us**



The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended March 31, 2019 and March 31, 2018 dated May 17, 2019 and May 30, 2018 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
  - e. On the basis of the written representations received from the directors as on March 31, 2020, and 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 with reference to financial statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".
  - 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/ provided 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, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position;

(ii)The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii)There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Chennai  
Date: 25.06.2020

For R. Balaji & Co  
Chartered Accountants  
FRN: 000332S

**SARADH** Digitally signed by  
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Saradha Devi B

Partner

Membership No: 208078

UDIN : 20208078AAAAAN2262

## ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **M/s. Aryan Share and Stock Brokers Limited** on the financial statements for the year ended 31.03.2020]

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The company does not have any immovable properties, and so the clause relating to title deeds of immovable properties is not applicable.
- (ii) There is no inventory held by the company. Hence, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) The Company has not granted loans, investments, guarantees and securities therefore the question of complying with Section 185 and Section 186 of the Act does not arise.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The company is not involved in manufacturing activities, and so the clause relating to maintenance of cost records as specified by the Central Government sub-section (1) of Section 148 of the Act is not applicable to the company.
- (vii)
  - (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.
  - (b) According to the information and explanations given to us, there are no dues with respect to income tax, service tax, goods and service tax, cess and any other material statutory dues applicable to it, which have not been deposited on account of any dispute.

- (viii) The company has not borrowed from financial institution(s), bank(s), government(s), or debenture holders. Hence, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations given to us, the Company has neither raised money by way of public issue offer. The company has not obtained any term loan during the year nor does the company have any outstanding term loan as at the beginning of the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) The Managerial remuneration paid and provided is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) Based on the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chennai  
Date: 25.06.2020

For R.Balaji & Co  
Chartered Accountants  
FRN: 000332S

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Saradha Devi B  
Partner

Membership No: 208078  
UDIN : 20208078AAAAAN2262

## **ANNEXURE 2 TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **M/s.Aryan Share and Stock Brokers Limited** on the financial statements for the year ended 31.03.2020]

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **M/s.Aryan Share and Stock Brokers Limited** ("the Company") as of March 31, 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 with reference to financial statements 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 (the "Guidance Note") 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Place: Chennai  
Date: 25.06.2020

For R.Balaji & Co  
Chartered Accountants  
FRN: 000332S

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Date: 2020.06.25  
16:36:51 +05'30'

Saradha Devi B

Partner

Membership No: 208078

UDIN : 20208078AAAAAN2262