

BOARD'S REPORT

To
The Members,

Your Directors take pleasure in presenting their Twelfth Annual Report on the Business and Operations of the Company and the Accounts for the Financial Year ended 31st March, 2020 (period under review).

1. FINANCIAL PERFORMANCE OF THE COMPANY:

The summary of the financial performance for the financial year ended March 31, 2020 and the previous financial year ended March 31, 2019 is given below:

(₹ in lacs)

Particulars	31-Mar-20	31-Mar-19
Total Income	8462.35	7786.26
Less: Expenditure	8451.89	7757.49
Profit before Depreciation	4.24	37.68
Less: Depreciation	6.22	8.90
Profit before Tax	10.46	28.77
Provision for Taxation	0.97	7.03
Profit after Tax	9.48	21.75
Other Comprehensive Income	(200.72)	(89.12)
Total Comprehensive Income	(191.24)	(67.38)
Earnings Per Share (FV of Rs.10/- per share)		
(1) Basic	0.08	0.18
(2) Diluted	0.08	0.18

Being a Market Making Company, most of the Company's investments are in the securities of listed companies. Accordingly most of its revenue is in nature of trade income on investments in listed companies. On account of resilient growth in the capital markets and increased investor interest in SME listed stocks; Company witnessed a Top line growth.

The Total Income of the Company stood at ₹8462.35 for the year ended March 31, 2020 as against 7786.26 lacs in the previous year. The Company made a net profit of ₹9.48 lacs for the year ended March 31, 2020 as compared to the net profit of ₹ 21.75 lacs in the previous year.

2. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

The Board has decided not to transfer any amount to the Reserves for the year under review.

3. DIVIDEND:

The dividend policy for the year under review has been formulated taking into consideration of growth of the company and to conserve resources, the Directors do not recommend any dividend for year ended March 31, 2020.

4. STATE OF AFFAIRS OF THE COMPANY:

Information on the operations and financial performance, among others for the period under review, is given in the Management Discussion and Analysis Report which is annexed to this Report and is in accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

5. CHANGE IN NATURE OF BUSINESS, IF ANY

There has been no change in nature of business of the Company during the FY under review.

6. SUBSIDIARY/ JOINT VENTURE/ ASSOCIATE COMPANY

The Company does not have any Subsidiary, Joint venture or an Associate Company.

7. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the FY and the date of this Report.

8. EXTRACT OF ANNUAL RETURN:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in **MGT - 9** is annexed as a part of this Annual Report as “Annexure I”.

The same is available on <http://www.afsl.co.in/Acml>

9. CHANGE IN SHARE CAPITAL:

There was no change in Share Capital for year ended March 31, 2020

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**i. Change in Directors**

During the period under review, there were no changes in Directors;

ii. Committees of Board of Directors

There has been no change in Committees of Board of Directors during period under review.

iii. Retirement by Rotation of the Directors

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shripal Shah, Executive Director of the Company, retires by rotation and offers himself for re- appointment.

The brief resume of Mr. Shripal Shah, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, her shareholding etc. are furnished in the Annexure - A to the notice of the ensuing AGM.

iv. Independent Directors

Independent Directors have provided their confirmation, that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

An Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company.

v. **Key Managerial Personnel**

During the period under review Ms. Chaitali Pansari was appointed as the Company Secretary and Compliance Officer w.e.f January 09, 2020 due to resignation tendered and accepted by Board of Directors of Ms. Gunjan Kataruka as on January 08, 2020.

11. BOARD MEETINGS:

The Company held four meetings of its Board of Directors during the year on May 28, 2019, August 29, 2019, November 14, 2019, January 08, 2020.

Mr. Shripal Shah and Mr. Shreyas Shah are related to each other. Mr. Shripal Shah and Mr. Shreyas Shah hold One share each of Aryaman Capital Markets Limited as Nominee of Aryaman Financial Services Limited.

12. COMMITTEE OF THE BOARD:

(a) Audit Committee:

The Audit Committee, as per Section 177 of Companies Act, 2013, continued working under Chairmanship of Mr. Ram Gaud. During the year the committee met three times with full attendance of all the members. The composition of the Audit Committee as at March 31, 2020 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Audit Committee Meetings held on		
			28.05.2019	29.08.2019	14.11.2019
Mr. Ram Gaud	Independent Director	Chairman	Yes	Yes	Yes
Mr. Shripal Shah	Executive Director	Member	Yes	Yes	Yes
Mrs. Supriya Tatkar	Independent Director	Member	Yes	Yes	Yes

The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes:

- Oversight of the Company’s financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management, the Half Yearly Unaudited Financial Statements and the Auditor’s Limited Review Report thereon / Audited Annual Financial Statements and Auditors’ Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the Financial Statements and / or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company’s accounting principles with reference to the Accounting Standard Policy.
- Review the investments made by the Company.

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

The Auditors, Internal Auditors, Chief Financial Officer are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee. Mr. Ram Gaud, the Chairman of the Committee, was present at the last Annual General Meeting (AGM) held on September 23, 2019.

(b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee, as per Section 178(1) of Companies Act, 2013, continued working under Chairmanship of Mr. Ram Gaud. During the year, the committee met two times with full attendance of all the members. The composition of the Nomination and Remuneration Committee as at March 31, 2020 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Remuneration Committee held on	
			28.05.2019	08.01.2020
Mr. Ram Gaud	Independent Director	Chairman	Yes	Yes
Mrs. Supriya Tatkar	Independent Director	Member	Yes	Yes
Mr. Darshit Parikh	Independent Director	Member	Yes	Yes

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

- Succession planning of the Board of Directors and Senior Management Employees;
- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The Company has formulated a Remuneration Policy which is annexed to the Board’s Report in “Annexure II”.

(c) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee, as per Section 178 (5) of Companies Act, 2013, continued working under Chairmanship of Ms. Supriya Tatkar. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Companies Act, 2013. During the year, the committee met one time with full attendance of all the members. The composition of the Stakeholders Relationship Committee as at March 31, 2020 and details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Category	Position in the committee	Attendance at the Stakeholders’ Relationship Committee held on
			28.05.2019
Ms. Supriya Tatkar	Independent Director	Chairperson	Yes
Mr. Shripal Shah	Executive Director	Member	Yes
Mr. Ram Gaud	Independent Director	Member	Yes

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

During the year, no complaints were received from shareholders. There are no balance complaints. The Company had no share transfers pending as on March 31, 2020.

Ms. Chaitali Pansari, Company Secretary of the Company is the Compliance Officer.

13. **BOARD EVALUATION:**

Your Board has devised an Evaluation Policy for evaluating the performance of the Board, its Committees, Executive Directors, Independent Directors. Based on the same, the performance was evaluated for the financial year ended March 31, 2020. As part of the evaluation process, the performance of Non- Independent Directors, the Chairman and the Board was conducted by the Independent Directors. The performance evaluation of the respective Committees and that of Independent and Non- Independent Directors was done by the Board excluding the Director being evaluated.

The policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, and relationship with the stakeholders, corporate governance practices, contribution of the committees to the Board in discharging its functions etc.

14. **CORPORATE SOCIAL RESPONSIBILITY**

The Company does not fall under the criteria laid under the provisions of Section 135 of the Act and rules framed there under. Therefore, the provisions of Corporate Social Responsibility are not applicable to the Company.

15. **AUDITORS:**

i. **Statutory Auditors:**

Subject to the amendment stated in The Companies Amendment Act, 2017 read with Notification S.O. 1833(E) dated 8th May 2018 deleting the provision of annual ratification of the appointment of auditor, the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with and no resolution has been proposed for the same.

ii. Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed JNG & CO., a firm of Company Secretaries in Practice (CP No. 8108), to undertake the Secretarial Audit of the Company for the F.Y. 2019-20. The Secretarial Audit Report for F.Y. 2019-20 is annexed herewith as “Annexure III”.

iii. Cost Auditor:

Your Company is principally engaged into Market making of SME Listed Scrips and Proprietary Investments in shares, securities and funds. Therefore, Section 148 of the Companies Act, 2013 is not applicable to the Company.

16. AUDITOR’S REPORT:

The Auditor’s Report and Secretarial Auditor’s Report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is given as an Annexure which forms part of this report.

17. VIGIL MECHANISM:

In pursuant to the provisions of section 177 (9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.afsl.co.in/Acml/>.

18. INTERNAL AUDIT & CONTROLS:

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed M/s Sandeep R. Maheshwari & Co., Chartered Accountants, as an Internal Auditors of the Company to check the internal controls and functioning of the activities and recommend ways of improvement. The Internal Audit is carried out quarterly basis; the report is placed in the Audit Committee Meeting and the Board Meeting for their consideration and direction.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

19. RISK ASSESSMENT AND MANAGEMENT:

Your Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business as part of its risk management policy. Your Company also takes all efforts to train its employees from time to time to handle and minimize these risks.

20. LISTING WITH STOCK EXCHANGES:

Aryaman Capital Markets Limited is listed on the SME Platform of the BSE Limited. It has paid the Annual Listing Fees for the year 2020-21 to BSE Limited.

21. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company is fully compliant with the applicable Secretarial Standards (SS) viz. SS-1 & SS-2 on Meetings of the Board of Directors and General Meetings respectively.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

i. Conservation of Energy

- a) **The steps taken or impact on conservation of energy** – The Operations of the Company are not energy intensive. However, adequate measures have been initiated for conservation of energy.
- b) **The steps taken by the Company for utilizing alternate source of energy** – Company shall consider on adoption of alternate source of energy as and when necessities.
- c) **The Capital Investment on energy conservation equipment** – No Capital Investment yet.

ii. Technology Absorption

- a) **The efforts made towards technology absorption.** – Minimum technology required for Business is absorbed.
- b) **The benefits derived like product improvement, cost reduction, product development or import substitution** – Not Applicable.
- c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)** – Not Applicable.
 1. the details of technology imported;
 2. the year of import;
 3. whether the technology been fully absorbed;
 4. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

iii. The expenditure incurred on Research and Development – Not Applicable.

23. PARTICULARS OF LOANS, INVESTMENTS AND GUARANTEES:

Particulars of loans given, investments made, guarantees given and securities provided are provided in the financial statements.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

No contracts / arrangements / transactions entered by the Company during the financial year with related parties. Thus Disclosure in form AOC-2 is not required. Further, during the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. All related party transactions are placed before the Audit Committee and Board for approval. The details of the related party transactions as required under Indian Accounting Standard (IND-AS) – 24 are set out in Note to the financial statements forming part of this Annual Report.

25. DEPOSITS:

Your Company did not accept / hold any deposits from public / shareholders during the year under review.

26. PREVENTION OF INSIDER TRADING:

In compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has formulated and adopted the revised “Code of Conduct for Prevention of Insider Trading” (“the Insider Trading Code”). The object of the Insider Trading Code is to set framework, rules and procedures which all concerned persons should follow, while trading in listed or proposed to be listed securities of the Company. During the year, the Company has also adopted the Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“the Code”) in line with the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. The Code is available on the Company’s website <http://www.afsl.co.in/Acml/investor.php>

27. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Act during the FY were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the FY which were in conflict with the interest of the Company.

28. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

29. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under, the Company has framed and adopted the policy for Prevention of Sexual Harassment at Workplace. Company was not in receipt of any complaint of sexual harassment.

30. HUMAN RESOURCES:

Your Company has established an organization structure that is agile and focused on delivering business results. With regular communication and sustained efforts it is ensuring that employees are aligned on common objectives and have the right information on business evolution.

31. CORPORATE GOVERNANCE:

Since the Company has listed its securities on SME platform, the provisions of Corporate Governance as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of Listing Regulations are not applicable to the Company for the FY ended 31st March, 2020.

32. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- iii. They have taken proper and sufficient care 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.
- iv. They have prepared the annual accounts on a going concern basis.
- v. They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.

- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2019-20.

33. CAUTIONARY STATEMENTS:

Statements in this Annual Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

34. ACKNOWLEDGEMENTS:

Your Directors would like to express deep sense of appreciation for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities and Shareholders and for the devoted service by the Executives, staff and workers of the Company. The Directors express their gratitude towards each one of them.

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CIN: L65999MH2008PLC184939

Website: <http://www.afsl.co.in/Acml/>

Email: aryacapm@gmail.com

On Behalf of The Board Of Directors

FOR ARYAMAN CAPITAL MARKETS LIMITED



Sd/-

Shripal Shah

DIN: 01628855

(Chairman & Executive Director)

Mumbai, Monday, August 31, 2020