



# **ESCORP**

**ASSET MANAGEMENT LIMITED**

**9<sup>TH</sup>**

**ANNUAL REPORT**

**2019-20**

## CORPORATE INFORMATION

**CIN: L17121MH2011PLC213451**

**BOARD OF DIRECTORS:**

**EXECUTIVE DIRECTORS:**

- ☞ Mr. Shripal Shah
- ☞ Mr. Shreyas Shah

**INDEPENDENT DIRECTORS:**

- ☞ Mr. Darshit Parikh
- ☞ Mr. Haresh Sanghvi
- ☞ Ms. Supriya Tatkar

**KEY MANAGERIAL PERSON:**

- ☞ Mr. Shripal Shah (Chief Financial Officer)
- ☞ Ms. Chaitali Pansari (Company Secretary)

**STATUTORY AUDITOR:**

**M/s V. N. Purohit & Co.,**  
Chartered Accountants,  
(Firm Registration No. 304040E)  
214, New Delhi House. 2nd Floor  
27, Barakhamba Road  
New Delhi- 110001

**REGISTERED OFFICE:**

60, Khatau Building, Ground Floor,  
Alkesh Dinesh Modi Marg,  
Fort, Mumbai – 400 001

**COMMITTEES:**

**AUDIT COMMITTEE:**

- ☞ Mr. Darshit Parikh (Chairman)
- ☞ Mr. Shripal Shah (Member)
- ☞ Ms. Supriya Tatkar (Member)

**STAKEHOLDERS RELATIONSHIP  
COMMITTEE:**

- ☞ Mr. Darshit Parikh (Chairman)
- ☞ Mr. Haresh Sanghvi (Member)
- ☞ Mr. Shripal Shah (Member)

**NOMINATION REMUNERATION COMMITTEE:**

- ☞ Ms. Supriya Tatkar (Chairperson)
- ☞ Mr. Darshit Parikh (Member)
- ☞ Mr. Haresh Sanghvi (Member)

**REGISTRAR AND SHARE TRANSFER AGENT:**

**Bigshare Services Private Limited**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis,  
Makwana Road,  
Marol, Andheri (East),  
Mumbai-400059

**CORPORATE OFFICE:**

718-A, P. J. Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

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***In case of any Queries relating Annual Report, Contact:***

**Ms. Chaitali Pansari (Company Secretary)**

60, Khatau Building, Ground. Floor,  
Alkesh Dinesh Modi Marg,  
Fort, Mumbai – 400 001

**Tel:** 022 – 6216 6999

**Fax:** 022 – 2263 0434

### NOTICE

**NOTICE** is hereby given that the **Nineth Annual General Meeting** of the Members of **Escorp Asset Management Limited** will be held on **Monday, September 28, 2020** at **01:00 P.M.** at Registered Office of the Company at 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg.), Fort, Mumbai – 400 001 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 March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint Mr. Shreyas Shah, (DIN: 01835575) who retires by rotation and being eligible, offers himself for re-appointment.

#### **NOTES:**

1. **The AGM will be held at the said venue by strictly adhering to the Social Distancing Norms and Other Safety Protocols including face masks, hand sanitization etc. as per the latest guidelines / advisories /SOP's issued by the Ministry of Health & Family Welfare, Govt. of India and the State Govt. amid COVID-19 Pandemic.**
2. **In consonance with the MCA circulars and the SEBI circular dated May 12, 2020, in view of COVID-19 Pandemic, the notice of the AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same.**
3. **Members may note that the said Notice and the Annual Report will also be available on the Company's website [www.escorpamc.co.in](http://www.escorpamc.co.in) and on the website of the Bombay Stock Exchange (BSE) [www.bseindia.com](http://www.bseindia.com).**
4. The information required to be provided under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards- 2 on General Meetings in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the notice as 'Annexure – A'.
5. 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.
6. This Notice is being to members of the Company as appearing in Register of Members.
7. **A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS / AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE BLANK PROXY FORM IS ENCLOSED.**
8. Members/Proxy holder/Authorised Representative are requested to bring duly filled Attendance Slip enclosed herewith along with their copy of the Notice to attend the Meeting.
9. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the aforesaid documents are being sent in the permitted mode.

10. In case of joint holders attending the Meeting, the first holder as per the Register of Members of the Company will be entitled to vote.
11. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting on [info@escorpamc.co.in](mailto:info@escorpamc.co.in)
12. Relevant documents referred to in the Notice, statutory registers and the Statement pursuant to Section 102(1) of the Companies Act, 2013 will be available for inspection by the members at the Registered Office of the Company during normal business hours on working days. Members desiring to seek information with respect to the businesses in this notice are requested to send their queries at least Seven days before the date of the meeting so that the information can be made available at the meeting.
13. A route map showing directions to reach the venue of the meeting is given in this Notice.
14. Once the vote on a resolution is cast by the member, the member shall not allowed to change it subsequently. Further, members who have casted their vote electronically shall not vote by way of poll, if held at the meeting. To provide an opportunity to vote at the meeting to the shareholders, who have not exercised the remote e-voting facility, shall be provided ballot papers before the commencement of the meeting. Any person who is not a member as on the cut-off date should treat this notice for information purpose only.
15. Member holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA viz. Bigshare Service Private Limited.
16. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form, are therefore, requested to submit their PAN to their Depository Participants with whom they maintain their Demat Accounts. Members holding shares in physical form and submit their PAN to the Company / RTA viz. Bigshare Services Private Limited.
17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including annual report, notices, circulars, etc. from the Company electronically.
18. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 22, 2020 to Monday, September 28, 2020 (both days inclusive).
19. **Voting through electronic means**
  1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  4. The remote e-voting period commences on **Thursday, September 24, 2020 (9:00 A.M.)** and ends on **Sunday, September 27, 2020 (5:00 P.M.)**. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Monday, September 21, 2020**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **Monday, September 21, 2020**.
  6. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e **Monday, September 21, 2020**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User

Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

7. How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of company for which you wish to cast your vote.
  4. Now you are ready for e-Voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
7. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [jigar.gandhi@ingandco.in](mailto:jigar.gandhi@ingandco.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
8. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

9. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
10. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
11. Mr. Jigarkumar Gandhi, Practicing Company Secretary (Membership No. F7569) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
12. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
13. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.escorpamc.co.in](http://www.escorpamc.co.in) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
15. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialise shares held by them in physical form.
16. Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Bigshare, if not registered with the Company as mandated by SEBI.
17. **All queries relating to Share Transfer and allied subjects should be addressed to:**

**Bigshare Services Private Limited**  
1st Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis,  
Makwana Road,  
Marol, Andheri (East),  
Mumbai-400059

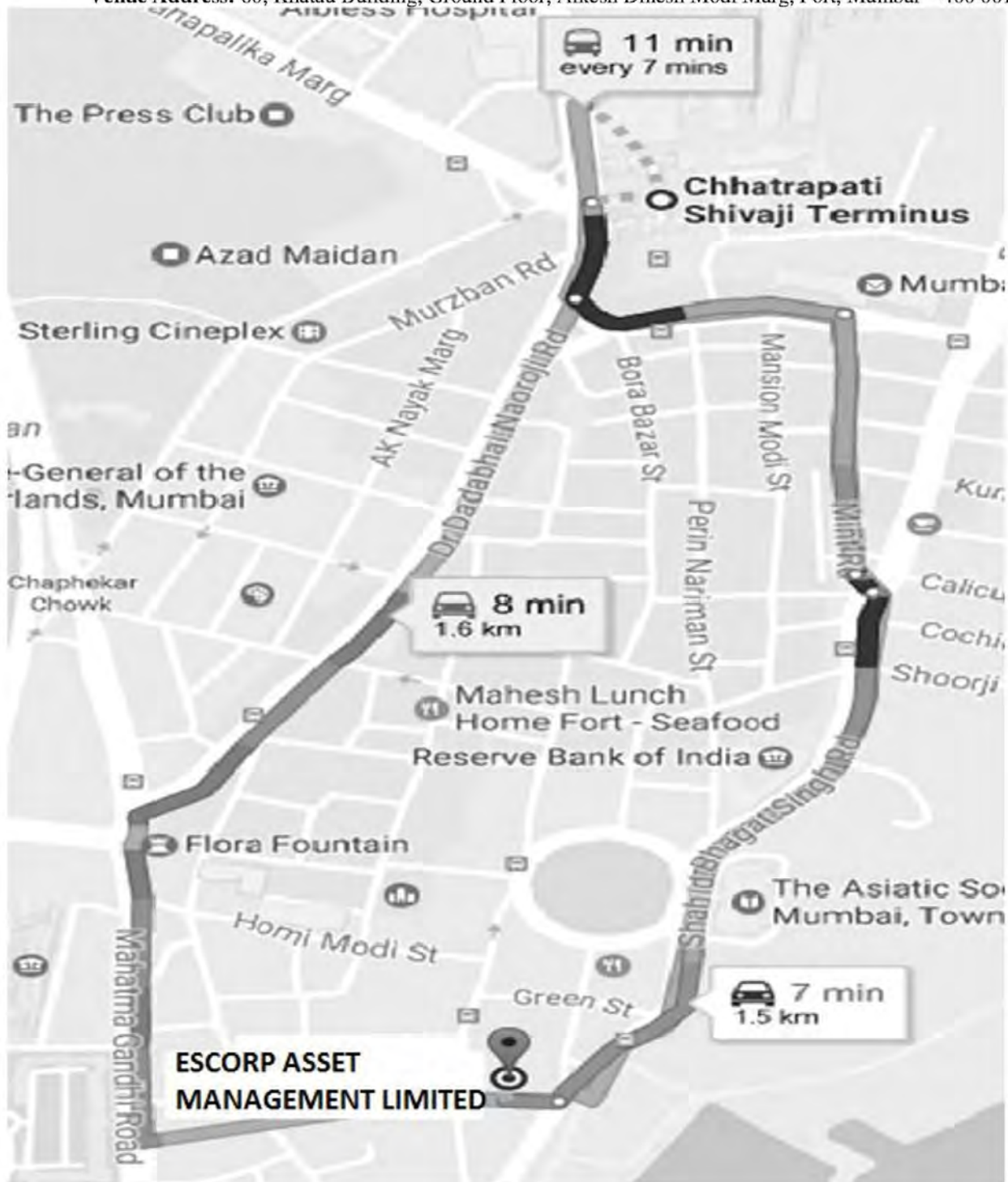
**Registered Office:**  
60, Khatau Building, Ground Floor,  
Alkesh Dinesh Modi Marg,  
Fort, Mumbai – 400 001  
**Tel :** 022 – 6216 6999  
**Fax:** 022 – 2263 0434  
**CIN:** L17121MH2011PLC213451  
**Website:** [www.escorpamc.co.in](http://www.escorpamc.co.in)  
**Email:** [info@escorpamc.co.in](mailto:info@escorpamc.co.in)

By Order Of The Board Of Directors  
**FOR ESCORP ASSET MANAGEMENT LIMITED**

Sd/-  
**Chaitali Pansari**  
(Company Secretary)  
Mumbai, Monday, August 31, 2020.

**ROUTE MAP TO THE 9th AGM VENUE**

**Venue Address:** 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai – 400 001.





**Annexure - A**

The relevant details of directors who is proposed to be re-appointed directors of the Company, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the Company Secretaries of India are as under;

<b>DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT</b>	
<b>PARTICULARS</b>	<b>MR. SHREYAS SHAH</b>
<b>Current Position</b>	Executive Director (Liable to retire by rotation)
<b>Age:</b>	32 Years
<b>Qualification:</b>	BMS, LLB
<b>Experience:</b>	More than 10 Years in the field of investments and finance
<b>Expertise in specific functional areas</b>	His functional responsibility handling the business development of the Company.
<b>Date of first Appointment:</b>	July 27, 2016
<b>Number of Board Meetings attended during the year:</b>	Attended all the Four meetings held till date in F.Y. 2019-20
<b>Shareholding in the Company:</b>	5,04,000 Equity Shares
<b>Relationship with Other Directors:</b>	Mr. Shripal Shah (Brother)
<b>Other Directorships:</b>	1) Mahshri Enterprises Private Limited; 2) Aryaman Financial Services Limited; 3) Aryaman Capital Markets Limited; 4) Roopshri Resorts Limited 5) Overskud Multi Asset Management Private Limited
<b>Memberships / Chairmanship of Committees:</b>	No Membership / Chairmanship in any Committees of the Company.

## BOARD'S REPORT

To  
The Members,

Your Directors take pleasure in presenting their Ninth Annual Report on the Business and Operations of the Company and the Accounts for the Financial Year ended 31<sup>st</sup> 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, 2020 is given below:

(₹ in lakhs)

Particulars	31-Mar-20	31-Mar-19
<b>Total Income</b>	15.71	24.70
Less: Expenditure	15.23	32.52
<b>Profit before Depreciation</b>	<b>(0.05)</b>	<b>(7.27)</b>
Less: Depreciation	0.44	0.55
<b>Profit before Tax</b>	<b>0.49</b>	<b>(7.82)</b>
Provision for Taxation	0.17	(0.24)
<b>Profit after Tax</b>	<b>0.31</b>	<b>(7.58)</b>
<b>Other Comprehensive Income</b>	<b>(8.35)</b>	<b>66.14</b>
<b>Total Comprehensive Income</b>	<b>(8.04)</b>	<b>58.55</b>
<b>Earning Per Share</b> (Face value Rs.10 per equity share)		
<b>(1) Basic</b>	<b>0.005</b>	<b>(0.11)</b>
<b>(2) Diluted</b>	<b>0.005</b>	<b>(0.11)</b>

The Total Income of the Company stood at ₹ 15.71 lakhs for the year ended March 31, 2020 as against ₹ 24.70 lakhs in the previous year. The Company made a net profit (after tax) of ₹ 0.31 lakhs for the year ended March 31, 2020 as compared to the net loss of ₹ (7.58) lakhs 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 weblink for accessing extract of annual return is <https://escorpame.co.in/investor-relations/>

## **9. CHANGE IN SHARE CAPITAL:**

During FY 2020 there was no change in the authorised and paid-up share capital of the Company. The paid up Equity Share Capital as on 31st March, 2020 amounted to Rs.667.00 Lacs.

## **10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

### **i. Change in Directors**

During the period there was 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. Sheyas Shah, Executive Director of the Company, retires by rotation and offers himself for re- appointment.

The brief resume of Mr. Shreyas Shah, the nature of his expertise in specific functional areas, names of the companies in which he has held directorships, his 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.

As stipulated by the Code of Independent Directors pursuant to the Act and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on February 22, 2020 inter alia to:

- i. Review the performance of non-independent directors and the Board as a whole;
- ii. Review of chairman performance;
- iii. Assessment of the quality, quantity and timeliness flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**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 by 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, and January 08, 2020.

**12. COMMITTEES OF THE BOARD:**
**(a) Audit Committee:**

The Audit Committee, as per Section 177 of Companies Act, 2013, continued working under Chairmanship of Mr. Darshit Parikh. During the year, the committee met **Three (3)** 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	No. of meetings attended		
			28.05.2019	29.08.2019	14.11.2019
Mr. Darshit Parikh	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 Indian Accounting Standard (IND-AS).
- 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. Darshit Parikh, 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 Ms. Supriya Tatkar. 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	No. of meetings attended	
			28.05.2019	08.01.2020
Ms. Supriya Tatkar	Independent Director	Chairman	Yes	Yes
Mr. Darshit Parikh	Executive Director	Member	Yes	Yes
Mr. Haresh Sanghvi	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 Mr. Darshit Parikh. 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	No. of meetings attended
			28.05.2019
Ms. Darshit Parikh	Independent Director	Chairman	Yes
Mr. Shripal Shah	Executive Director	Member	Yes
Mr. Haresh Sanghvi	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 8<sup>th</sup> 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. 2019-2020. The Secretarial Audit Report for F.Y. 2019-20 is annexed herewith as "*Annexure III*".

#### **iii. Cost Auditor:**

Your Company is principally engaged into Portfolio Management Business 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.escorpamc.co.in>.

**18. INTERNAL AUDIT & CONTROLS:**

Pursuant to provisions of Section 138 read with rules made there under, the Board has appointed M/s Thakur & 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 Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. 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.

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:**

Escorp Asset Management Limited is listed on the SME Platform of the BSE Limited. It has paid the Annual Listing Fees for the year 2020-2021 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.
  - a. the details of technology imported;
  - b. the year of import;
  - c. whether the technology been fully absorbed;

d. 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:**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. 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. 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.escorpamc.co.in>.

### **26. 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

### **27. DEPOSITS:**

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

### **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. As your Management is on the payroll of Holding Company and doesn't draw any managerial remuneration from the Company, the statement of Disclosure of Remuneration under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), will not be applicable. The current workforce breakdown structure has a good mix of employees at all levels. Your Board confirms that the remuneration is as per the remuneration policy of the Company.

### **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.



**9th ANNUAL REPORT 2019-20**

**Registered Office:**

60, Khatau Building, Ground Floor,

Alkesh Dinesh Modi Marg,

Fort, Mumbai - 400 001

**Tel :** 022 - 6216 6999

**Fax:** 022 - 2263 0434

**CIN:** L17121MH2011PLC213451

**Website:** <http://www.escorpamc.co.in>

**Email:** [info@escorpamc.co.in](mailto:info@escorpamc.co.in)

On Behalf of The Board Of Directors  
**FOR ESCORP ASSET MANAGEMENT LIMITED**

Sd/-

**Shripal Shah**

(Chairman & Executive Director)

**DIN:** 01628855

Mumbai, Monday, August 31, 2020

Annexures to Board's Report (Contd.)

Annexure – I

**FORM NO. MGT-9**

Extract of Annual return as on financial year ended on 31.03.2020

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014)

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	L17121MH2011PLC213451
ii	Registration Date	February 13, 2011
iii	Name of the Company	Escorp Asset Management Limited
iv	Category/Sub-category of the Company	Public Company / Company Limited by Shares
v	Address of the Registered office & contact details	60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai- 400 001 Tel: 022 – 6216 6999 E-Mail id: <a href="mailto:info@escorpamc.co.in">info@escorpamc.co.in</a>
vi	Whether listed company	Yes (BSE Ltd)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited 1 <sup>st</sup> Floor, Bharat Tin Works Building, Makwana Road, Marol, Andheri (East), Mumbai - 400 059 Tel: 022 6263 8200; Fax: 022 6263 8299 Email: <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> ; Investor Grievance Email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

**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:

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Portfolio Management Services	6630	14.70
2	Other Such Investment & Financial Activities	6619	85.30

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sr. No	Name of the Company	Address of the Company	CIN/GLN	Holding or Subsidiary or Associate	% of shares held	Applicable Section
1	Aryaman Financial Services Limited	102, Ganga Chambers, 6A/1, W.E.A., Karol Bagh, New Delhi, Delhi-110005	L74899DL1994PLC059009	Holding Company	52.47%	Section 2(46)

**IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY):**

**(i) CATEGORY-WISE SHARE HOLDING:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year (%)
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/HUF	10,09,000	-	10,09,000	15.13	10,09,000	-	10,09,000	15.13	-
b) Central Govt or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	35,00,000	-	35,00,000	52.47	35,00,000	-	35,00,000	52.47	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other (Promoter Group)	970	-	970	0.01	970	-	970	0.01	-
<b>Sub Total:(A) (1)</b>	<b>45,09,970</b>	<b>-</b>	<b>45,09,970</b>	<b>67.62</b>	<b>45,09,970</b>	<b>-</b>	<b>45,09,970</b>	<b>67.62</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>45,09,970</b>	<b>-</b>	<b>45,09,970</b>	<b>67.62</b>	<b>45,09,970</b>	<b>-</b>	<b>45,09,970</b>	<b>67.62</b>	<b>-</b>
<b>B.PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII/	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate	-	-	-	-	-	-	-	-	-
i) Indian	11,04,000	0	11,04,000	16.55	10,24,000	0	10,24,000	15.35	1.20
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	1,04,000	30	1,04,030	1.56	88,000	30	88,030	1.32	0.24
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	9,52,000	0	9,52,000	14.27	9,52,000	0	9,52,000	14.27	0.00
c) Others (Clearing Member)	-	-	-	-	96,000	0	96,000	1.44	(1.44)
<b>SUB TOTAL (B)(2):</b>	<b>21,60,000</b>	<b>30</b>	<b>21,60,030</b>	<b>32.38</b>	<b>21,60,000</b>	<b>30</b>	<b>21,60,030</b>	<b>32.38</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>21,60,000</b>	<b>30</b>	<b>21,60,030</b>	<b>32.38</b>	<b>21,60,000</b>	<b>30</b>	<b>21,60,030</b>	<b>32.38</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>66,69,970</b>	<b>30</b>	<b>66,70,000</b>	<b>100</b>	<b>66,69,970</b>	<b>30</b>	<b>66,70,000</b>	<b>100</b>	<b>-</b>

**(ii) SHAREHOLDING OF PROMOTERS:**

Sr. 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 shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Aryaman Financial Services Ltd	35,00,000	52.47	-	35,00,000	52.47	-	-
2	Shripal Shah	5,05,000	7.57	-	5,05,000	7.57	-	-
3	Shreyas Shah	5,04,000	7.56	-	5,04,000	7.56	-	-
4	Meloni Shah (Promoter Group)	970	0.01	-	970	0.01	-	-
	<b>Total</b>	<b>45,09,970</b>	<b>67.62</b>	<b>-</b>	<b>45,09,970</b>	<b>67.62</b>	<b>-</b>	<b>-</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING:**

Sr. No.	Shareholders' Name	At the beginning of the year / End of the year		Date of changes of shareholding	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year 2018-19	
		Number of Shares	%				Number of Shares	%
1	Aryaman Financial Services Limited	35,00,000	52.47	01- Apr- 19			35,00,000	52.47
		35,00,000	52.47	31-Mar-20	-	-	35,00,000	52.47
2	Shripal Shah	5,05,000	7.57	01- Apr- 19			5,05,000	7.57
		5,05,000	7.57	31-Mar-20	-	-	5,05,000	7.57
3	Shreyas Shah	5,04,000	7.56	01- Apr- 19			5,04,000	7.56
		5,04,000	7.56	31-Mar-20	-	-	5,04,000	7.56
4	Meloni Shah (Promoter Group)	970	0.01	01- Apr- 19			970	0.01
		970	0.01	31-Mar-20	-	-	970	0.01

**Note:** No changes between 01-04-2019 and 31-03-2020.

**(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS):**

Sr. No	Shareholders' Name	No of Shares at the beginning/End of the year		Date of changes of shareholding	Increase / Decrease in shareholding	Reason for Increase / Decrease	Cumulative shareholding during the year 2019-20	
		Number of Shares	%				Number of Shares	%
1	SHRI PARASRAM HOLDINGS PVT.LTD.	4,24,000	6.36	01-04-2019	-	-	4,24,000	6.36
			0.00	31-03-2020	(4,24,000)	Transfer		0.00

Sr No	Shareholders' Name	No of Shares at the beginning/End of the year		Date of changes of shareholding	Increase / Decrease in shareholding	Reason for Increase / Decrease	Cumulative shareholding during the year 2019-20	
		Number of Shares	%				Number of Shares	%
2	SHRI RAVINDRA MEDIA VENTURES PRIVATE LIMITED	2,48,000	3.72	01-04-2019	-	-	2,48,000	3.72
			3.84	26-07-2019	8,000	Transfer	2,56,000	3.84
		2,56,000	3.84	31-03-2020	-	-	2,56,000	3.84
3	ARVIND KUMAR BANSAL	2,24,000	3.36	01-04-2019	-	-	2,24,000	3.36
		2,24,000	3.36	31-03-2020	-	-	2,24,000	3.36
4	AMRUTLAL GOARDHAN DAS THOBHANI	1,76,000	2.64	01-04-2019	-	-	1,76,000	2.64
		1,76,000	2.64	31-03-2020	-	-	1,76,000	2.64
5	TIA ENTERPRISE S PRIVATE LIMITED	1,68,000	2.52	01-04-2019	-	-	1,68,000	2.52
		1,68,000	2.52	31-03-2020	-	-	1,68,000	2.52
6	SUSHIL KUMAR SHARMA HUF	1,20,000	1.80	01-04-2019	-	-	1,20,000	1.80
		1,20,000	1.80	31-03-2020	-	-	1,20,000	1.80
7	GEET INFRACON PRIVATE LIMITED	1,04,000	1.56	01-04-2019	-	-	1,04,000	1.56
		1,04,000	1.56	31-03-2020	-	-	1,04,000	1.56
8	BCB BROKERAGE PRIVATE LIMITED	88,000	1.32	01-04-2019	-	-	88,000	1.32
			1.44	28.06.2019	8,000	Transfer	96,000	1.44
		96,000	1.44	31-03-2020	-	-	96,000	1.44
9	BASANT MITTAL	72,000	1.08	01-04-2019	-	-	72,000	1.08
		72,000	1.08	31-03-2020	-	-	72,000	1.08
10	GOPAL BANSAL (HUF)	64,000	0.96	01-04-2019	-	-	64,000	0.96
		64,000	0.96	31-03-2020	-	-	64,000	0.96
11	PANKAJ PIYUSH TRADE AND INVESTMENT LIMITED	72,000	1.08	01-04-2019	-	-	72,000	1.08
			7.44	31-03-2020	4,24,000	Transfer	4,96,000	7.44
		4,96,000	7.44	31-03-2020	-	-	4,96,000	7.44

Note: % means % of total shares of the company

**(v) SHAREHOLDING OF DIRECTORS & KMP:**

Sr. No.	Shareholders' Name	At the beginning of the year / End of the year		Date of changes of shareholding	Increase / Decrease in shareholding	Reason	Cumulative shareholding during the year 2018-19	
		Number of Shares	%				Number of Shares	%
1	Shripal Shah	5,05,000	7.57	01-Apr19	-	-	5,05,000	7.57
		5,05,000	7.57	31-Mar-20	-	-	5,05,000	7.57
2	Shreyas Shah	5,04,000	7.56	01-Apr-19	-	-	5,04,000	7.56
		5,04,000	7.56	31-Mar-20	-	-	5,04,000	7.56

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions				
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole time director and/or Manager:**

(In ₹)

Sr. No	Particulars of Remuneration	Mr. Shripal Shah (Executive Director)	Mr. Shreyas Shah (Executive Director)	Total Amount
1	<b>Gross salary*</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-

<b>Total (A)</b>	-	-	-
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\* Executive Directors of the Company are on the payroll of Aryaman Financial Services Limited (Holding Company) and do not draw any remuneration in Escorp Asset Management Limited.

**B. Remuneration to other directors:**

(In ₹)

Sr. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. Darshit Parikh	Mr. Haresh Sanghvi	Ms. Supriya Tatkar	
<b>1</b>	<b>Independent Directors</b>				
	(a) Fee for attending board /committee meetings	40,000	40,000	40,000	1,20,000
	(b) Commission	-	-	-	-
	(c ) Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>1,20,000</b>
<b>2</b>	<b>Other Non Executive Directors</b>				
	(a)Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
<b>3</b>	<b>Total (B)=(1+2)</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>1,20,000</b>
	<b>Total Managerial Remuneration</b>	<b>120,000 (One Lakhs and Twenty Thousand Only)</b>			
	<b>Overall Ceiling as per the Act.</b>	<b>The total managerial remuneration is within the ceilings prescribed.</b>			

**C. Remuneration To Key Managerial Personnel Other Than Managing Director/Manager/Whole Time Director:**

(In ₹)

Sr. No.	Particulars of Remuneration <sup>a</sup>	Shripal Shah (CFO)	Gunjan Kataruka (CS) ( till 08.01.2020)	Chaitali Pansari (CS) (since 09.01.2020)	Total Amount
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
<b>2</b>	Stock Option	-	-	-	-
<b>3</b>	Sweat Equity	-	-	-	-
<b>4</b>	Commission as % of profit	-	-	-	-
<b>5</b>	Others, please specify	-	-	-	-
	<b>Total (1+2+3+4+5)</b>	-	-	-	-

<sup>a</sup> Key Managerial Personnel of the Company are on the payroll of Aryaman Financial Services Limited (Holding Company) and do not draw any remuneration in Escorp Asset Management Limited.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the	Brief Description	Details of Penalty/Punishment/Compounding	Authority (RD/NCLT/Court)	Appeal made if
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	Companies Act		fees imposed		any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Annexure's to Board's Report (Contd).*****Annexure – II*****Remuneration Policy**

This Remuneration Policy relating to remuneration for the directors, key managerial personnel and other employees, has been formulated by the Nomination and Remuneration Committee (hereinafter "Committee") and approved by the Board of Directors.

**Objectives:**

The objectives of this policy are to stipulate criteria for:

- Appointment, reappointment, removal of Directors, KMPs and Senior Management
- Determining qualifications, positive attributes and independence of a director and recommend to the Board
- Retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage to run the operations of the Company successfully
- Consider and determine the remuneration, based on the fundamental principles of payment for performance, for potential, and for growth

**Criteria for Appointment:**

- Ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment
- Age, number of years of service, specialized expertise and period of employment or association with the Company
- Special achievements and operational efficiency which contributed to growth in business in the relevant functional area
- Constructive and active participation in the affairs of the Company
- Exercising the responsibilities in a bonafide manner in the interest of the Company
- Sufficient devotion of time to the assigned tasks
- Diversity of the Board
- Demonstrable leadership qualities and interpersonal communication skills, devote to the role, compliant with the rules, policies and values of the Company and does not have any conflicts of interest
- Transparent, unbiased and impartial and in accordance with appropriate levels of confidentiality.
- Appointment of Directors and KMPs in compliance with the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder or any other enactment for the time being in force

**Criteria for Remuneration:**

The Remuneration Policy reflects on certain guiding principles of the Company such as aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of meritocracy and creating a linkage to corporate and individual performance, and emphasizing on line expertise and market competitiveness so as to attract the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior operational results.

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the directors, key managerial personnel and other employees of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration to directors, key managerial personnel and senior management personnel should also involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The remuneration of the Non-Executive Directors shall be based on their contributions and current trends, subject to regulatory limits. Sitting fees is paid for attending each meeting(s) of the Board and Committees thereof. Additionally equal amount of commission may be paid to Non executive directors on a pro-rata basis, within limits approved by shareholders.

**Annexures to Board's Report (Contd).***Annexure – III***Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 2020**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members,

**ESCORP ASSET MANAGEMENT LIMITED**

60, Khatau Building, Ground Floor,  
Alkesh Dinesh Modi Marg, Fort,  
Mumbai - 400001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Escorp Asset Management 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.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, management representations provided by the Company, its officers, agents and authorized representatives and based on the draft independent auditors report during the conduct of the Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities Exchange Board of India warranted due to COVID 2019 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure I for the financial year ended on **March 31, 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; **(Not applicable to the Company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not**

**applicable to the Company during the Audit Period)**

- vi. 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;
  - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
- (vi) Other laws as applicable specifically to the company as informed by the management that the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993 as amended from time to time.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Executive Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws.

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other laws. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company.

I 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.

Majority decisions of the Board and committee meetings are carried out unanimously as recorded in the minutes of the meeting of the board of directors or committees thereof as the case may be. There were no dissenting views of any member of the Board or committees thereof during the period under review.

I further report that 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.

I further report that during the audit period there were no specific events / actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For JNG & Co.,

Sd/-

Jigarkumar Gandhi

FCS: 7569

C.P. No. 8108

Place: Mumbai

Date: August 31, 2020

UDIN: F007569B000636945

**Note:** This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

**ANNEXURE - I**

## List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and various committees comprising of Audit Committee, Nomination & Remuneration Committee etc. held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Companies Act and rules made there under
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of 184 of the Companies Act, 2013.
7. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the period under report.
8. Intimations received from directors under the prohibition of Insider Trading and SEBI Takeover Code
9. Various policies framed by the company from time to time as required under the statutes applicable to the company.
10. Processes and procedure followed for Compliance Management System for applicable laws to the Company
11. Communications / Letters issued to and acknowledgements received from the Independent directors for their appointment
12. Various policies framed by the company from time to time as required under the Companies Act as well as listing agreement/SEBI LODR Regulations.

**ANNEXURE - II**

To,

The Members,

**ESCORP ASSET MANAGEMENT LIMITED**

60, Khatau Building, Ground Floor,  
Alkesh Dinesh Modi Marg, Fort,  
Mumbai - 400001

Sub : Secretarial Audit Report for the Financial Year ended on 31<sup>st</sup> March, 2020

Our report of even date is to be read along with this letter.

1. 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.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

3. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, I followed provide a reasonable basis for our opinion.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management and my examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For JNG & Co.,**

**Place: Mumbai**

**Date: August 31, 2020**

**UDIN: F007569B000636945**

**Sd/-  
Jigarkumar Gandhi**

**FCS: 7569  
C.P. No. 8108**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1) INDUSTRY STRUCTURE AND DEVELOPMENTS:

The asset management industry has a unique and different structure from the rest of the financial industry. It's important to note the key characteristics of asset managers when considering their impact on financial stability.

#### Overview:

The asset management industry is an integral component of the broader financial system. Its sole purpose is to help investors achieve their financial goals. Also referred to as "investment managers" or the "buy-side," asset managers are hired by investors to allocate capital on their behalf.

The asset management industry is made up of a large number of diverse firms that offer a wide array of investment strategies. These investment strategies are available to investors in a variety of forms, including mutual funds, ETFs, private funds and separately managed accounts, among others.

The asset management industry serves as a critical link between providers and seekers of investment capital around the world. The industry provides professional investment services for a diverse client base with varying objectives and risk tolerances. Asset managers have evolved with the global expansion of capital markets and will likely continue to evolve as technological advancements and demographic trends influence new innovations and opportunities.

The Indian wealth management industry continued its growth journey in FY2020, albeit at a slower pace, given the volatile market conditions. India continues to outpace global High Net Worth Individuals (HNIs) growth, mirroring the economic growth in the country. With the incremental allocation of wealth being higher in financial assets as compared to physical assets, the wealth management industry is emerging as a big beneficiary.

The portfolio management deals with the analysis of individual securities as well as with the theory and practice of optimally combining securities into portfolios. It makes use of analytical techniques of analysis and conceptual theories regarding rational allocation of funds. Thus, portfolio management is a complex process which tries to make investment activity more rewarding and less risky. Portfolios are built to suit the return expectations and risk appetite of the investor i.e. a combination of assets or securities is formulated which meets the level of return investor expects provided he is willing to meet the associated risk, or the possible return at the level of risk he is willing to bear.

#### Trends in Portfolio Management Services:

The total HNI wealth is expected to be US\$ 2.2 trillion. Alternative Investment Funds (AIFs) and Portfolio Management Service (PMS), which typically attract HNI investments, have become a sizeable category today. As per the latest available data, AIFs saw the cumulative net commitment growing to ` 482 billion (December 2019) and the PMS industry Assets Under Management (AUM) in listed equity stood at ` 1.44 trillion (February 2020).

Total assets under management (AUM) of portfolio management services (PMS) industry shows a continued interest among the large investors. Portfolio management industry in India is steadily growing with the rise an increase in the number of HNIs and also in wealth. This is evident in the expanding clientele base of the portfolio management industry. The number of clients taking discretionary increased largely wheareas non-discretionary services and those opting for advisory services increased marginally in 2019-20. The trend of the assets managed by portfolio managers is seen in the table below:

Year	Total No of Clients				Asset under Management (₹ In Crore)			
	Discretionary	Non-Discretionary	Advisory	Total	Discretionary*	Non-Discretionary	Advisory#	Total
2014-15	40,558	3,297	2,851	46,706	6,99,304.00	47,957.00	1,80,123.00	9,27,384.00
2015-16	46,088	3,915	2,285	52,288	8,11,034.00	60,122.00	1,74,272.00	10,45,428.00
2016-17	70,994	4,674	1,482	77,150	9,67,036.00	75,061.00	1,88,385.00	12,30,482.00
2017-18	1,13,776	5,427	2,158	1,21,361	11,52,123.03	89,796.85	2,25,131.32	14,67,051.21



2018-19	1,38,829	6,853	4,038	1,49,720	13,03,141.00	1,09,031.00	1,93,620.00	16,05,792.00
2019-20	1,53,232	9,393	3,923	1,66,548	15,07,718	1,15,202.00.00	1,91,451.00	18,14,371.00

\*Includes funds from EPFO/PFs

#Value of Assets for which Advisory Services are being given

## 2) MACRO REVIEW:

### ❖ GLOBAL REVIEW:

FY 19-20 was an eventful year for the global economy. During the first nine months, trade tensions between US and China, subsequent Phase-I agreement, geopolitical tensions between US & Iran, growth slowdown in China, uncertainty around BREXIT, among others were the key developments. Events took an unfortunate turn with the outbreak of Covid-19 in the last quarter of FY 19-20. Till February 2020, cases were largely concentrated in Hubei province of China but by March 2020, all major countries were impacted and it was declared a Global Pandemic by the World Health Organisation (WHO). To contain the outbreak, many economies implemented partial or full shutdown which, in turn, significantly disrupted the economic activity and resulted in large job losses. Most asset classes including equities and commodities fell sharply, and there was a substantial increase in volatility in the financial markets. Oil prices, in particular, fell to unprecedented levels (brent crude price fell below US\$ 20/ barrel) due to severe demand destruction because of lockdown and breakdown of alliance between OPEC and Russia following disagreement regarding cut in oil production.

In view of the above developments, International Monetary Fund (IMF) revised down its Global GDP growth forecast for Calendar Year (CY) 2020 to -3% from +3.3%. However, it expects the growth rate to bounce back to 5.8% in CY 2021 owing to a low base and normalisation of economic activity

### ❖ INDIA REVIEW:

During FY2020, India's economic growth decelerated continuously as the year progressed. As per provisional estimates, real GDP growth for the first two quarters of FY2020 came in at 5.2% and 4.4% respectively. A variety of factors were responsible for this deceleration in growth including delayed onset and spatially skewed distribution of monsoon, continued slowdown in manufacturing and weak private consumption. While there were hopes of a turnaround in H2FY2020, the economy's performance slid further in Q3FY2020 as real GDP growth plunged to 4.1% on the back of broad-based deceleration in industry and services. However, strong growth in government expenditure provided the much-needed support to headline growth during the first three quarters of FY2020 as the government tried to cushion the impact of slowdown. Coronavirus and the resultant lockdown weighed heavily on the economy in the last quarter of FY2020 and real GDP growth plunged to just 3.1%, taking full year growth to 4.2%.

Headline retail inflation, as measured by Consumer Price Index (CPI), was benign in the beginning of FY2020. CPI started inching up sharply from September-October 2019 due to higher food prices. However, towards the end of FY2020, normalisation of food prices and easing oil prices led to easing of inflation.

### ❖ ECONOMIC OUTLOOK

Towards the end of March 2020, the spread of COVID-19 weighed on the global economy. Although the pandemic originated in China, the epicentre quickly shifted to western countries and hit countries like the US, France, Italy, and the UK hard. Many large economies posted contraction in Q12020 due to the lockdowns imposed to contain COVID-19. As a response, systemically important central banks cut rates to multi-year lows, launched large credit lines, bond purchases and other support measures to minimise the impact of the pandemic on their economies.

COVID-19 affected the Indian economy as well. Real GDP growth fell to 3.1% in Q4FY2020 and full year growth fell to 4.2%. In response, the government announced large fiscal stimulus package aimed at key sectors in the economy while the RBI cut repo rate to an all-time low of 4%. Despite these measures, the Indian economy is likely to contract in FY2021 as measures to contain the pandemic keep economic activity in several sectors at suboptimal level. However, the economy is

likely to post robust recovery in FY2022 on the back of monetary and fiscal stimulus and pent up demand. Inflation is expected to remain under control in FY2021 due to weak aggregate demand. Structurally low global oil prices are a big positive for India and could result in current account surplus in FY2021.

#### ❖ **EQUITY MARKETS**

FY2020 was a year of extreme volatility for Indian equity markets. While the fiscal year started on a positive note for equities, the market continued to remain polarised, with a handful of stocks contributing to the bulk of the performance. In the second quarter, risks of a global slowdown started building up as the US yield curve inverted and the US economy entered the longest period of economic expansion in history in the backdrop of an escalating trade war and other geo-political risks such as Brexit.

Indian equities were also buoyed by tax cuts for the corporate sector. The rising risk appetite resulted in a pick-up in broader markets in the form of mid and small caps. The NIFTY 50 index hit an all-time high in January 2020, only to plunge in March 2020 due to fears of the COVID-19 impact on the economy. The slide resulted in large-caps giving up their modest gains and ending FY2020 with a decline of 26% (NIFTY 50) while the NIFTY midcap 100 and NIFTY smallcap 100 Indices fell by 36% and 46%, respectively.

During the fiscal year, Domestic Institutional Investors (DIIs) were net buyers of US\$ 17.9 billion of equities, while Foreign Institutional Investors (FIIs) sold US\$ 645 million worth of equities. FII buying saw a reversal in the last quarter of FY2020, as they sold equities worth US\$ 6.6 billion. Funds raised through equity witnessed recovery in FY2020 with fundraising via Initial Public Offerings (IPOs), Follow-on Public Offerings (FPOs), InvIT and REIT, Offer for Sale (OFS), and Rights Issue rising from ₹ 569 billion in FY2019 to ₹ 1.5 trillion in FY2020.

#### ❖ **PORTFOLIO MANAGEMENT SERVICES (PMS):**

Portfolio Management Services (PMS), service offered by the Portfolio Manager, is an investment portfolio in stocks, fixed income, debt, cash, structured products and other individual securities, managed by a professional money manager that can potentially be tailored to meet specific investment objectives. When you invest in PMS, you own individual securities unlike a mutual fund investor, who owns units of the fund. You have the freedom and flexibility to tailor your portfolio to address personal preferences and financial goals. Although portfolio managers may oversee hundreds of portfolios, your account may be unique.

##### **Discretionary:**

Under these services, the choice as well as the timings of the investment decisions rest solely with the Portfolio Manager.

##### **Non Discretionary**

Under these services, the portfolio manager only suggests the investment ideas. The choice as well as the timings of the investment decisions rest solely with the Investor. However the execution of trade is done by the portfolio manager.

##### **Advisory**

Under these services, the portfolio manager only suggests the investment ideas. The choice as well as the execution of the investment decisions rest solely with the Investor.

**Note: In India majority of Portfolio Managers offer Discretionary Services.**

#### **Key Regulatory changes in PMS**

Under the revised framework as notified by SEBI as on May 01, 2020, Portfolio managers would not be able to charge any upfront fees, either directly or indirectly to the clients. It will stop the provision to levy 'Set Up Fee' on investors in PMS products. Also, PMS Managers shall charge brokerage at actuals to clients and operating expenses (excluding brokerage and fees charged by PMS Managers) shall not exceed 0.50% p.a. of the client's average daily AUM. The regulator has also standardised the exit load norms as well as capped the maximum charges for all transactions in a financial year under the revised guidelines.

### 3) **REVIEW OF OPERATIONS:**

The Total Income of the Company stood at ₹ 15.71 lakhs for the year ended March 31, 2020 as against ₹ 24.70 lakhs in the previous year. The Company made a net profit (after tax) of ₹ 0.31 lakhs for the year ended March 31, 2020 as compared to the net loss of ₹ (7.58) lakhs in the previous year.

### 4) **OUTLOOK:**

We believe we are well-poised to capitalise on the healthy prospects of the industry and further solidify our position in the market. Our strong brand equity, disciplined investment philosophy and robust process, customer-centric approach, expansive reach, and healthy financials should facilitate our future growth.

- **Our strategic priorities include:**

- a) Maintaining a strong investment performance against benchmarks and peer groups
- b) Enhancing our reach and distribution network
- c) Enhancing our product portfolio to cater to various financial needs and aspirations of consumers
- d) Investing in digital platforms to acquire, retain and grow our customer base

### 5) **OPPORTUNITIES AND THREATS:**

#### ➤ **OPPORTUNITIES**

India is already the fastest growing economy globally and various projections for growth by World Bank or IMF etc., indicate that India will continue to outperform other economies. This would open up vast opportunities for SME businesses which employs large part of total workforce of India. Easy capital generation means and relaxation in Government regulations & policies will facilitate the ease of doing business in India for SME's.

Since our group has been involved in the SME exchange related services since its inception; we have an insight of developments in this segment, robust performance by the SME sector and growth in SME Listed bourses and our ability to provide sound investment advisory or fund management with focus on investing in this segment would provide us a niche and hence an entry point with existing PMS or Investment Advisory clients and over time we can sell other products of our business to them.

- Ongoing financialisation of savings in India
- Increasing per capita GDP
- Increasing flows from smaller cities/towns
- Deepening digital channel distribution contributing to disintermediation and de-risking of sales and distribution
- Ongoing consolidation in the industry

#### ➤ **THREATS**

- Worsening of macro-economic factors and low economic growth can negatively impact the capital markets sector thereby affecting business. Movement in crude oil prices is one of the key determinants of the direction of financial markets. It can be bundled with rising account deficit, inflation, depreciating currency, slowdown in foreign investment flows etc thereby posing threat to the business. Uncertainty in the global markets, owing to the increased strain in the advanced economies and emerging economies due to the COVID-19 impact can result in volatile capital inflows and currency fluctuations. Increased restrictions on migration and global trade could hurt productivity and incomes and take an immediate toll on market sentiment.
- Technological disruptions- With rapid changes in technology and innovations, companies needs to increase its attention towards innovation objectives alongside business growth objectives. With increasing performance expectations related to quality, timings and cost, technological upkeep is very important to keep in line with

competitors, especially new competitors that are “born digital” and with a low-cost base for their operations. The risk of disruptive innovations enabled by new and emerging technologies is always present.

- Debt market- Indian debt markets may face disruptions due to risk averse environment and certain large corporates’ defaults on servicing and repayment and on account of the COVID-19 impact, coupled with year-end redemption pressures faced by mutual funds and continued selling by foreign investors.
- Any stringent regulatory changes or unfavorable policy changes can pose a threat to the Company in the short run
- Overall slowdown in the economy
- Intense competition amongst AMCs to garner higher AUMs can increase pressure on commissions

#### **6) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Through our compliance function, we monitor compliance with regulatory requirements laid down by the Securities and Exchange Board of India (SEBI) with respect to Portfolio Management Services.

The company has an Internal Control System commensurate with its requirement and size of business to ensure that the assets and interest of the company assets are safeguarded. The adequacy and effectiveness of the internal control across various activities, as well as compliance with laid down system and policies are comprehensively and frequently monitored by your company’s management at all the levels of the organization.

Our team stays abreast of the new regulatory requirements and communicates the same to the relevant functions along with meaningful inputs for implementation. The Compliance team also reviews the implementation status of various requirements by coordinating with respective functions.

The Audit Committee of the Board of Directors reviews the existing audit procedures and internal systems of control on an ongoing basis keeping in mind the organization’s requirements, growth prospects and ever evolving business environment. They also review the internal audit findings and recommendations and ensure that corrective measures are implemented. The Audit Committee is responsible for overseeing the risk management framework, reviewing the key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. The Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of their respective functions.

V.N.PUROHIT & CO, the statutory auditor of the Company, has audited the financial statements included in this Annual Report and has issued as a part of its Auditors’ Report, a report on our internal financial controls with reference to the financial statements (as defined in Section 143 of the Companies Act, 2013).

Based on its evaluation, our audit committee has concluded that as of March 31, 2020 our internal financial controls were adequate and operating effectively.

#### **7) RISKS AND CONCERN:**

Escorp Asset management limited is exposed to specific risks that are particular to its businesses and the environment within which it operates, including credit risk, operational risk, competition risk, regulatory risk, human resource risk, execution risk, information security risks and macro-economic risks.

Our risk management practices have been designed and implemented taking into consideration the varying needs of our organisation, operating structure, business operations and regulatory requirements. We have facilities for approach to risk management and the roles and responsibilities of all stakeholders. The Audit Committee is responsible for overseeing the risk management framework, reviewing the key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. The Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of their respective functions.

Our business depends on consumer confidence in the overall economy, economic growth rates, household saving rates and consumer attitudes towards financial savings, in particular, within India. Any adverse market rate fluctuations and/or adverse economic conditions could affect our business in many ways, causing a decline in our revenue

Risk is an integral part of the business and we aim at delivering superior shareholder value by achieving an appropriate balance between risks and returns. The financial services industry is subject to continuously evolving legislative and regulatory environment due to increasing globalization, integration of world markets, newer and more complex products & transactions and an increasingly stringent regulatory framework.

Our senior management identifies and monitors the risks on an ongoing basis and evolves processes/systems to monitor and control the same to contain the risks to minimum levels. Periodic monitoring by our officials helps in identifying risks in early stage. If required, a risk event update report is periodically placed before the Board of Directors of the Company.

If our investment strategies perform poorly, our existing customers may reduce or withdraw their investments. Underperformance to benchmark could lead to a shift to low cost passive funds. We are exposed to credit risks, liquidity risks and market risks such as interest rate risks and price risks. We are also exposed to operational risks and legal risks. The effectiveness of our risk management is limited by the quality and availability of data. Our schemes and other investment products carry their own risks.

We depend on the skills and expertise of our employees and our success depends on our ability to retain key members of our teams. If we are not able to retain existing employees or attract new talent, it could affect our operations resulting in decline in performance of our business.

Regulatory framework, focused on maintaining controls on domestic businesses but even inadvertently creating more favorable regulatory environment for global entities operating in India is a matter of concern. We actively participate in dialogue in industry bodies and with regulators to point these out and to recommend appropriate changes. While we ensure that we are in compliance with all applicable laws, however any failure in detecting errors in our statutory records or errors or omissions in our business operations could expose us to potential losses and regulatory fines amongst others.

#### **8) OPERATION:**

Portfolio management team performs functions such as, post trade investment support, cash management, treasury and settlement functions, recording of transactions in the books of accounts of the respective clients, valuation of securities in the client's portfolios, providing various reports to management, liaising with bankers and custodians.

All operational activities are subject to audit. We have appointed auditors as required under relevant regulations for our schemes and the portfolio management and segregated account services. They audit the customer's accounts in respect of the Portfolio Management Service. In addition, all applications used in Operations are periodically subjected to reviews. Our audit committee reviews the auditors' reports and these reports are placed before our board and processes form the backbone of our operations with extensive focus on internal controls, minimizing operational risks, scalability and bringing about efficiency to meet various timelines. We continuously endeavour to keep upgrading our systems and re-engineer our processes to ensure maintenance of a very high standard of regulatory compliance and governance.

#### **9) HUMAN RESOURCES:**

Escorp Asset Management Ltd. is part of a dynamic and progressive group that actively fosters a challenging work environment and encourages Entrepreneurship. With trust being the critical part of our business belief, we lay a strong emphasis on integrity, teamwork, innovation, performance and partnership. Our professional staff with diverse backgrounds brings varied talent, knowledge and experience to the Group, helping our businesses to remain competitive, achieve greater success and newer milestones.

Our management team and board of directors are resolved to do what, we believe, is best for our shareholders, clients and associates.

At Escorp Asset Management limited we understand that internal selection and succession is very critical for the long-term sustenance of the business as it ensures business continuity, preserves corporate culture, enhances knowledge capital and fuels the ambitions of the Company's talent force leading to better retention. We ensure that our internal talent is groomed for the next level. In order to create value for our stakeholders we continue to invest in technology and adopt fair HR practices to empower our people creating a supportive environment. We continue to uphold high standards of governance with respect to all statutory compliance and regulatory requirements

#### **10) SAFE HARBOUR:**

This report describing our activities, projections and expectations for the future, may contain certain 'forward looking statements' within the meaning of applicable laws and regulations. The actual results of business may differ materially from those expressed or implied due to various risk factors and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include determination of tariff and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statement are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 (the "Act") and comply with the Accounting Standards notified under Section 133 of the Act. The management of Escorp Asset Management Limited has used estimates and judgements relating to the financial statement on a prudent and reasonable basis, in order that the financial statement reflects in a true and fair manner, the profit for the year.

**CERTIFICATION BY CFO UNDER REGULATION 17(8) OF THE LISTING REGULATION**

To  
The Board of Directors,  
Escorp Asset Management Ltd.

- (a) We have reviewed the financial statements and the cash flow statement of Escorp Asset Management Ltd. for the year ended March 31, 2020 and to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing 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 violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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 the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies made during the year and 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.

**For Escorp Asset Management Limited**

**Date:** July 30, 2020  
**Place:** Mumbai

**Sd/-**  
**Shripal Shah**  
**(Chief Financial Officer)**

## **Independent Auditor's Report**

To  
The members of  
**ESCORP ASSET MANAGEMENT LIMITED**

### **Report on the Audit of Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **ESCORP ASSET MANAGEMENT LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2020, the statement of profit and loss, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and explanations given to us, the aforesaid 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 31<sup>st</sup> March, 2020, and the **net profit** (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 the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 hereunder to be key audit matters to be communicated in our report.



Key audit matters	Auditor's response
<p><b><u>Measurement of Revenue</u></b></p> <p>As per Ind AS 115, measurement of revenue to be made on transaction price.</p>	<p>Our audit procedure inter- alia included the following-</p> <ul style="list-style-type: none"> <li>• We used assessment of overall control environment relevant for measurement of revenue.</li> <li>• We performed testing of journal entries, with particular focus on manual adjustment to revenue account, to mitigate the risk of manipulation of revenue and profit figures.</li> </ul>

### **Information other than the 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 financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Ind AS and the other 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 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 are operating effectively for insuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our 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 due to fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (i) Identify and assess the risks of material misstatement of the 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (ii) Obtain an understanding of the internal 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.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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 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.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statement, individually or in aggregate, makes it probable that the economic decision of reasonable knowledgeable user of the financial statement 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 controls 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 reasonable be thought to bear on our independence, and where applicable, relevant safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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, 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 reasonable be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We draw your attention to Note 29 of the financial statement which explains the uncertainties and management's assessment of the financial impact due to the lockdown/ restrictions related to COVID-19 pandemic imposed by the Government for which definitive assessment of the impact is dependent upon the future economic conditions. 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'), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the order, 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, statement of changes in equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Indian accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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-B**. 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact, if any of pending litigations on its financial position, in its financial statements (Refer Note 30 to the financial statements).

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

**FOR V. N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

Sd/-

**O. P. Pareek**

Partner

Membership No. 014238

UDIN: 20014238AAAADP9086

New Delhi, the 30<sup>th</sup> day of July, 2020

### ANNEXURE- A TO THE AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date to the members of **ESCOP ASSET MANAGEMENT LIMITED** (the Company) for the year ended on 31<sup>st</sup> March 2020.

- (i) (a) As per information and explanation given to us, the Company is maintaining proper records showing full disclosures of the fixed assets;
- (b) As per information and explanation given to us, physical verification of fixed assets has been conducted once in a year by the management and no material discrepancies were noticed during the course of verification;
- (c) According to information and explanation given to us, the company does not hold any immovable property during the year dealt with by this report;
- (ii) As per information and explanation given to us, the Company did not hold inventory at any time during the period under audit and therefore the provisions of clause (ii) of paragraph 3 of the said order are not applicable;
- (iii) According to information and explanations given to us, the Company has not granted loans to parties covered in register maintained under section 189 of the Companies Act, 2013;
- (iv) According to information and explanations given to us, the Company has complied with provision of section 185 and section 186 of the Companies Act, 2013;
- (v) According to information and explanations given to us, the Company has not accepted public deposits and the provision of section 73 to 76 or other relevant provisions of the Companies Act, 2013 and rules framed thereunder are not applicable to the Company;
- (vi) According to information and explanations given to us, the Company is not liable to maintain cost records as prescribed under section 148(1) of the Companies Act, 2013;
- (vii) (a) According to information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including income-tax and any other applicable statutory dues to the appropriate authorities and there are no outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable;
- (b) According to information and explanations given to us, there are no outstanding statutory dues on part of Company which is not deposited on account of dispute;
- (viii) According to information and explanations given to us, the company has not obtained any loans and borrowings from any financial institution, bank, government or dues to debenture holders, and hence question of default of repayment does not arise;
- (ix) According to information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable;

- (x) To best of our knowledge and according to information and explanations given to us, no fraud by the company and no fraud on the company by its officers, employees has been noticed or reported during the year;
- (xi) According to information and explanations given to us, the Company has not paid any managerial remuneration, hence the provisions of clause (xi) of paragraph 3 of the order are not applicable;
- (xii) As per information, the Company is not a Nidhi Company, hence reporting under clause (xii) of paragraph 3 of the order is not applicable;
- (xiii) According to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc., as required by the applicable Indian accounting standards;
- (xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;
- (xv) According to information and explanations given to us, the Company has not entered into non- cash transactions with directors or persons connected with him;
- (xvi) According to information and explanations given to us, the Company is not a Non- Banking Financial Company and is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Signed for the purpose of identification

**FOR V. N. PUROHIT & CO.**

**Chartered Accountants**

Firm Regn. No. 304040E

Sd/-

**O. P. Pareek**

Partner

Membership No. 014238

UDIN: 20014238AAAADP9086

New Delhi, the 30<sup>th</sup> day of July, 2020

## **ANNEXURE- B TO THE AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **ESCORT ASSET MANAGEMENT LIMITED** as on 31<sup>st</sup> 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 the 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 controls stated in the Guidance Note on Audit of Internal Financial Control 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 fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's 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 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 over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidences 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 the receipt and expenditures of the Company are being only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and could not be detected. Also, projections of any evaluation of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial controls 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 aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on "the internal financial controls over financial reporting criteria 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 V. N. PUROHIT & CO.****Chartered Accountants**

Firm Regn. No. 304040E

Sd/-

**O. P. Pareek**

Partner

Membership No. 014238

UDIN: 20014238AAAADP9086

New Delhi, the 30<sup>th</sup> day of July, 2020



# BALANCE SHEET

As at 31st March, 2020

Particulars	Note	As at	As at
		March 31, 2020	March 31, 2019
		INR Lacs	INR Lacs
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	2	2.58	2.75
Bank balances other than above	3	30.00	30.00
Receivables			
Trade receivables	4	12.81	0.34
Investments	5	1559.16	1525.54
Other financial assets	6	0.01	3.25
<b>Non-Financial Assets</b>			
Current tax assets(net)		3.15	2.13
Property, Plant and equipment	7	0.12	0.56
Other non financial Assets	8	3.55	7.96
<b>TOTAL ASSETS</b>		<b>1611.38</b>	<b>1572.53</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial Liabilities</b>			
Payables			
(I)Trade Payables	9		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.58	0.30
Other Financial liabilities	10	0.78	0.79
<b>Non-financial Liabilities</b>			
Deferred tax liabilities (net)	11	75.98	30.85
Other non-financial liabilities	12	1.63	0.15
<b>Equity</b>			
Equity Share Capital	13	667.00	667.00
Other equity	14	865.41	873.44
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1611.38</b>	<b>1572.53</b>

Notes to the financial statements

1-34

The accompanying notes are an integral part of the financial statements

For V.N. PUROHIT &amp; CO.

Chartered Accountants

Firm Registration No. 304040E

Sd/-

O.P.Pareek

Partner

Membership No. 014238

UDIN: 20014238AAAADP9086

Date: 30th July, 2020

Place: Mumbai

For and on behalf of the Escorp Asset Management Limited

Sd/-

Shripal Shah

(Executive Director)

DIN: 01628855

Place: Mumbai

Date: July 30, 2020

Sd/-

Shreyas Shah

(Executive Director)

DIN: 01835575

Sd/-

Chaitali Pansari

(Company Secretary)

(BKHPP6512N)

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2020



9th ANNUAL REPORT 2019-20

Particulars	Note	For the	For the
		year ended	year ended
		March 31,	March 31,
		2020	2019
		INR Lacs	INR Lacs
I. Revenue From Operations	15		
-Fees and Commission Income		13.46	8.57
-Investment and Dividend Income		0.04	16.13
II. Other Income	16	2.21	-
<b>III. Total Income (I+II)</b>		<b>15.71</b>	<b>24.70</b>
<b>IV. EXPENSES</b>			
Finance costs	17	0.03	0.03
Fees & Commission paid	18	2.04	1.56
Employee benefits expense	19	6.31	8.67
Depreciation and amortization expense	20	0.44	0.55
Other expenses	21	6.41	21.71
<b>Total expenses (IV)</b>		<b>15.23</b>	<b>32.52</b>
<b>V. Profit before tax (III-IV)</b>		<b>0.49</b>	<b>(7.82)</b>
<b>VI. Tax expense:</b>			
1) Current tax		0.14	-
2) MAT Credit Entitlement		-	-
3) Deferred tax		0.03	(0.24)
<b>Total tax expenses (VI)</b>		<b>0.17</b>	<b>(0.24)</b>
<b>VII. Profit for the year (V-VI)</b>		<b>0.31</b>	<b>(7.58)</b>
<b>Other Comprehensive Income (Net of deferred Tax)</b>			
Items that will not be reclassified to profit & loss account, net of taxes			
- Equity instruments carried at fair value at other comprehensive income		(8.35)	66.14
<b>VIII. Total other comprehensive income</b>		<b>(8.35)</b>	<b>66.14</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>(8.04)</b>	<b>58.55</b>
Earnings per equity share:			
Basic & Diluted (Face value ₹ 10 per equity share)		0.005	(0.11)

## Notes to the financial statements

1-34

The accompanying notes are an integral part of the financial statements

For V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Registration No. 304040E

For and on behalf of the Escorp Asset Management Limited

Sd/-  
**O.P.Pareek**  
Partner  
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DIN: 01628855  
Place: Mumbai  
Date: July 30, 2020

Sd/-  
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(Executive Director)  
DIN: 01835575

Sd/-  
**Chaitali Pansari**  
(Company Secretary)  
(BKHPP6512N)

Date: 30th July, 2020  
Place: Mumbai

# STATEMENT OF CHANGES IN EQUITY

As at 31<sup>st</sup> March 2020



9th ANNUAL REPORT 2019-20

## A. Equity Share Capital:

Particulars	Amount
	INR Lacs
Balance as at 1st April, 2018	667.00
Changes in equity share capital during the year 2018-19	-
Balance as at 31st March, 2019	667.00
Changes in equity share capital during the year 2019-20	-
Balance as at 31st March, 2020	667.00

## B. Other Equity:

Particulars	Reserves and Surplus		Other comprehensive income (OCI)	Total Other Equity
	Securities Premium	Retained Earnings	Equity instruments through other comprehensive income	
	INR Lacs	INR Lacs	INR Lacs	INR Lacs
Balance as at 1 <sup>st</sup> April, 2018	177.15	26.25	611.49	814.89
Profit for the year	-	(7.59)	-	(7.59)
Other comprehensive income (net of tax)	-	-	66.14	66.14
As at 31st March, 2019	177.15	18.67	677.63	873.45
Profit for the year	-	0.31	-	0.31
Other comprehensive income (net of tax)	-	-	(8.35)	(8.35)
As at 31st March, 2020	177.15	18.98	669.28	865.41

Notes to the financial statements

1-34

The accompanying notes are integral part of the financial statements

In terms of our attached report of even date

For V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Registration No. 304040E

For and on behalf of the Escorp Asset Management Limited

Sd/-  
O.P.Pareek  
Partner  
Membership No. 014238  
UDIN: 20014238AAAADP9086

Sd/-  
Shripal Shah  
(Executive Director)  
DIN: 01628855  
Place: Mumbai  
Date: July 30, 2020

Sd/-  
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(Executive Director)  
DIN: 01835575

Sd/-  
Chaitali Pansari  
(Company Secretary)  
(BKHPP6512N)

Date: 30th July, 2020  
Place: Mumbai

# STATEMENT OF CASH FLOWS

As at 31<sup>st</sup> March 2020



9th ANNUAL REPORT 2019-20

Particulars	For the year ended 31st March, 2020 INR Lacs	For the year ended 31st March, 2019 INR Lacs
<b>A. Cash flow from operating activities</b>		
Profit for the year (Before Tax)	0.49	(7.82)
<b>Adjustments for:</b>		
Finance costs	0.03	0.03
Depreciation and Amortisation expense	0.44	0.55
Interest income	(2.21)	-
<b>Operating profit before working capital changes</b>	<b>(1.25)</b>	<b>(7.25)</b>
<b>Movements in working capital:</b>		
Increase)/decrease in trade receivables	(12.47)	0.82
(Increase)/decrease in other assets	7.66	19.46
Increase /(decrease) in trade payables	0.28	(1.27)
Increase /(decrease) in other liabilities	1.47	(1.10)
<b>Cash generated from operations</b>	<b>(4.32)</b>	<b>10.67</b>
Direct taxes paid (net)	(1.16)	(0.49)
<b>Net cash from operating activities (A)</b>	<b>(5.48)</b>	<b>10.18</b>
<b>B. Cash flows from investing activities</b>		
Payment for property, plant and equipment (PPE)	-	-
(Purchase)/ Sale of Investments	3.12	(247.27)
Interest income	2.21	4.94
<b>Net cash (used in) investing activities (B)</b>	<b>5.33</b>	<b>(242.33)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of Shares	-	-
Proceeds from Share Premium	-	-
Repayment of borrowings	-	-
Interest paid	(0.03)	(0.03)
<b>Net cash (used in) financing activities (C)</b>	<b>(0.03)</b>	<b>(0.03)</b>
<b>Net Increase In Cash And Cash Equivalents [A+B+C]</b>	<b>(0.18)</b>	<b>(237.12)</b>
<b>Cash And Cash Equivalents At The Beginning Of The Year</b>	<b>32.75</b>	<b>269.87</b>
<b>Cash And Cash Equivalents At The End Of The Year</b>	<b>32.58</b>	<b>32.75</b>
<b>Components of Cash and Cash Equivalents</b>		
Cash in hand	0.86	0.86
Balance with Bank in Current and Fixed Deposit Accounts	31.72	31.89
<b>Total Cash and Cash equivalents</b>	<b>32.58</b>	<b>32.75</b>

In terms of our attached report of even date

For V.N. PUROHIT & CO.  
Chartered Accountants  
Firm Registration No. 304040E

For and on behalf of the Escorp Asset Management Limited

Sd/-  
**O.P.Pareek**  
Partner  
Membership No. 014238  
UDIN: 20014238AAAADP9086

Sd/-  
**Shripal Shah**  
(Executive Director)  
DIN: 01628855  
Place: Mumbai  
Date: July 30, 2020

Sd/-  
**Shreyas Shah**  
(Executive Director)  
DIN: 01835575

Sd/-  
**Chaitali Pansari**  
(Company Secretary)  
(BKHPP6512N)

Date: 30th July, 2020  
Place: Mumbai

## **NOTES**

### **To Financial Statements (Contd)**

#### **Note 1**

#### **A. CORPORATE INFORMATION:**

**Escorp Asset Management Limited** is a public limited company domiciled in India with its registered office located at 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001. The Company is listed on SME Platform of BSE Limited (BSE SME). The Company is engaged in the business of portfolio management services.

#### **B. SIGNIFICANT ACCOUNTING POLICIES:**

##### **1. Basis of Preparation of Financial Statements:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read Division III of Schedule III of the Companies Act and the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- (i) Certain financial assets and liabilities are measured at Fair value (Refer note no. 7 below)

The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements are presented in INR, the functional currency of the Company. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

##### **2. Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### **Critical accounting judgments and key source of estimation uncertainty:**

The Company is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

- (a) Estimation of current tax expenses and payable - Refer note no. - 14 below

##### **3. Property, plant and equipment (PPE)**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**4. Intangible assets:**

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

**5. Depreciation and Amortization:****a) Property Plant and Equipment (PPE):**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

Estimated Useful Life - Computers - 3 Years.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

**b) Intangible Assets:**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

**6. Financial Instruments:****Financial Assets:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Equity Instruments:**

Considering the entity's business model for managing equity instruments, the investments in equity shares have been recognised at fair value as on date of balance sheet. Fair value movements are recognised in the other comprehensive income (OCI).

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

**Impairment:**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial

recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

**Derecognition:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Financial Liabilities:****Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

**Financial Guarantee Contracts**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the period when asset is realized.

**De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**7. Fair Value Measurement:**

The Company measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 8. Inventory:

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

#### 9. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

#### 10. Foreign Currency Transactions:

##### a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

##### b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

#### 11. Revenue recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company & revenue is reliably measured.

- (i) **Interest Income:** The Company recognises interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortised cost. EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.
- (ii) **Dividend:** Dividend income from investments is recognised when the shareholders' right to receive payment has been established which is generally when the shareholders approve the dividend.
- (iii) **Other revenue from operations:** The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.



**12. Rendering of Services:**

Income from services rendered is recognised based on invoices raised for service provided on an accrual basis. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts, any taxes or duties collected on behalf of the government which are levied on sales such as Goods & Services tax (GST).

**13. Employee Benefits:**

Employee Benefits: - The Company does not falls within the applicability of Employee Benefit plans.

**14. Income Taxes:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**15. Borrowing Costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**16. Earnings Per Share:**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**17. Provisions, Contingent Liabilities and Contingent Assets:**

**9th ANNUAL REPORT 2019-20**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

**2. Cash and Cash Equivalents:**

Particulars	As at March 31, 2020 INR Laes	As at March 31, 2019 INR Laes
<b>Balances with banks</b>		
i. Balance with bank in current accounts	1.72	1.89
ii. Cash on hand	0.86	0.86
<b>Total</b>	<b>2.58</b>	<b>2.75</b>

**3. Bank Balances Other than Cash and Cash Equivalents:**

Particulars	As at March 31, 2020 INR Laes	As at March 31, 2019 INR Laes
Balances with banks - Fixed Deposits	30.00	30.00
<b>Total</b>	<b>30.00</b>	<b>30.00</b>

**4. Trade Receivables**

Particulars	As at March 31, 2020 INR Laes	As at March 31, 2019 INR Laes
Unsecured, considered good	12.81	0.34
<b>Total</b>	<b>12.81</b>	<b>0.34</b>

**5. Investment:**

Particulars	As at March 31, 2020 INR Laes	As at March 31, 2019 INR Laes
<b>Investments in Equity Instruments:</b>		
<b>Measured at Fair Value through Other Comprehensive Income</b>		
Quoted & Fully paid up :		
2,36,100 (31st March 2019: 2,37,600) Equity shares of Rs.10/- each of Bajaj Health Care Ltd.)	485.54	1009.80
2,37,600 (Bonus) (31st March 2019: Nil) Equity shares of Rs.10/- each of Bajaj Health Care Ltd.)	488.62	
4,68,000 (31st March, 2019: 4,68,000) Equity shares of Rs.10 /-each of Diksat Transworld Ltd.)	585.00	515.74
<b>Aggregate amount of investments</b>	<b>1559.16</b>	<b>1525.54</b>
<b>Aggregate amount of quoted investment and Market Value thereof</b>	<b>1559.16</b>	<b>1525.54</b>
<b>Aggregate amount of Quoted Investments at cost</b>	<b>813.91</b>	<b>817.03</b>

**6. Other Financial Assets :**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Interest Accrued on Fixed Deposits	0.01	0.01
Security Deposits (BSE)	-	3.24
<b>Total</b>	<b>0.01</b>	<b>3.25</b>

**7. Property, Plant and Equipment:**

Particulars	Computer
	INR Lacs
<b>Gross Carrying amount</b>	
Balance as at 1 <sup>st</sup> April, 2019	1.73
Additions	-
Disposals	-
Balance as at 31 <sup>st</sup> March, 2020	1.73
<b>Accumulated Depreciation</b>	
Balance as at 1 <sup>st</sup> April, 2019	1.17
Depreciation for the year	0.44
Disposals	-
Balance as at 31 <sup>st</sup> March, 2020	1.61
Net carrying amount as at 31 <sup>st</sup> March, 2019	0.56
Net carrying amount as at 31 <sup>st</sup> March, 2020	0.12

**8. Other Non-Financial Assets:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Unamortised Expenses – Public Issue	2.55	4.57
Prepaid Expenses	-	3.06
Advances	1.00	-
Balances with Government Authorities	-	0.34
<b>Total</b>	<b>3.55</b>	<b>7.96</b>

**9. Trade Payables:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Dues to Micro, Small and medium enterprises	-	-
Dues to Others	0.58	0.30
<b>Total</b>	<b>0.58</b>	<b>0.30</b>

**10. Other Financials Liabilities:**

Particulars	As a	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Salaries and reimbursements	0.40	0.39
Audit fees payable	0.38	0.40
<b>Total</b>	<b>0.78</b>	<b>0.79</b>

**11. Deferred Tax Liability/(Asset)**

Particulars	As at March 31, 2020 INR Lacs	As at March 31, 2019 INR Lacs
Deferred Tax Liabilities – on account of depreciation	(0.02)	(0.06)
Deferred Tax Liabilities (OCI)	76.01	30.91
<b>Total</b>	<b>75.98</b>	<b>30.85</b>

**12. Other Current Liabilities:**

Particulars	As at March 31, 2020 INR Lacs	As at March 31, 2019 INR Lacs
Statutory dues payable	1.63	0.15
<b>Total</b>	<b>1.63</b>	<b>0.15</b>

**13. Equity Share Capital:**

Particulars	As at March 31, 2020 INR Lacs	As at March 31, 2019 INR Lacs
Authorised: 70,00,000 Equity Shares @ Rs10 each	700.00	700.00
Issued, Subscribed and Paid up 66,70,000 (31.03.2019: 66,70,000 ) Equity Shares of Rs10 each	667.00	667.00

**13.1. Reconciliation of number of shares outstanding at the beginning and end of the year:**

Authorised share capital:	No. of shares In Lacs	Amount INR Lacs
<b>Balance as at 1<sup>st</sup> April, 2018</b>	<b>70.00</b>	<b>700.00</b>
Add / (Less): Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>70.00</b>	<b>700.00</b>
Add / (Less): Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>70.00</b>	<b>700.00</b>
<b>Issued, Subscribed and Paid up share capital:</b>	<b>No. of shares In Lacs</b>	<b>Amount INR Lacs</b>
<b>Balance as at 1<sup>st</sup> April, 2018</b>	<b>66.70</b>	<b>667.00</b>
Add / (Less): Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>66.70</b>	<b>667.00</b>
Add / (Less): Changes during the year	-	-
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>66.70</b>	<b>667.00</b>

**13.2. Terms / Rights attached to Equity Shares:**

The Company has only one class of equity share having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**13.3. Details of shares held by each shareholder holding more than 5% shares in the Company:**

Equity share of ₹ 10 each fully paid up with voting rights	Number of fully paid equity shares	Holdings (%)
<b>Aryaman Financial Services Limited</b>		
As at 31 <sup>st</sup> March, 2020	35.00	52.47%
As at 31 <sup>st</sup> March, 2019	35.00	52.47%
<b>Mr. Shripal Shah</b>		
As at 31 <sup>st</sup> March, 2020	5.05	7.57%
As at 31 <sup>st</sup> March, 2019	5.05	7.57%
<b>Mr. Shreyas Shah</b>		
As at 31 <sup>st</sup> March, 2020	5.04	7.56%
As at 31 <sup>st</sup> March, 2019	5.04	7.56%

**13.4**

Shares held by Holding Company	Number of fully paid equity shares	Holdings (%)
<b>Aryaman Financial Services Limited</b>		
As at 31 <sup>st</sup> March, 2020	35.00	52.47%
As at 31 <sup>st</sup> March, 2019	35.00	52.47%

**14. Other Equity**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Laacs	INR Laacs
Securities premium	177.15	177.15
Retained earnings	19.00	18.69
Other comprehensive income	669.25	677.60
<b>Total</b>	<b>865.41</b>	<b>873.44</b>

**14.1 Securities Premium:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Laacs	INR Laacs
Balance as at beginning of the year	177.15	177.15
Add/(Less): Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>177.15</b>	<b>177.15</b>

**14.2 Retained Earnings:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Laacs	INR Laacs
Balance as at beginning of the year	18.69	26.27
Profit for the year	0.31	(7.59)
<b>Balance as at end of the year</b>	<b>19.00</b>	<b>18.69</b>

**14.3 Other comprehensive income:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Balance as at beginning of the year	677.60	611.46
Add/(Less): Movement during the year	(8.35)	66.14
<b>Balance as at end of the year</b>	<b>669.25</b>	<b>677.60</b>

**15. Revenue from Operations:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Income from Services	13.46	3.63
<b>Total</b>	<b>13.46</b>	<b>3.63</b>

**16. Other Income:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Interest income on fixed deposit	2.21	4.94
<b>Total</b>	<b>2.21</b>	<b>4.94</b>

**17. Finance Cost:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
<b>Interest Expenses on:</b>		
Other finance costs	0.03	0.03
<b>Total</b>	<b>0.03</b>	<b>0.03</b>

**18. Fees & Commission Paid:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Custodial fees	0.41	-
Listing fees	0.25	-
Processing fees	0.10	0.73
Professional fees	0.30	-
Director Sitting fees	0.98	0.84
<b>Total</b>	<b>2.04</b>	<b>1.56</b>

**19. Employee Benefit Expenses:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Salaries, wages and bonus	6.31	8.67
<b>Total</b>	<b>6.31</b>	<b>8.67</b>

**20. Depreciation and amortisation expense:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
Depreciation of property, plant and equipment	0.44	0.55
<b>Total</b>	<b>0.44</b>	<b>0.55</b>

**21. Other Expenses:**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
IPO Expenses	2.02	2.02
SEBI Membership-Port Folio Manager Licence	3.06	3.33
Payment to statutory auditors for		
- Statutory audit	0.35	0.35
- other certification	0.08	0.04
Market Making Fees paid		1.49
Other expenses	0.90	14.47
<b>Total</b>	<b>6.41</b>	<b>21.71</b>

**22. Contingent liabilities & Commitments:**

The company does not have any contingent liabilities and Commitments (including Capital Commitments) as on March 31, 2020 (As at March 31, 2019 - Nil).

**23. Earning per Share:**

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
	INR Lacs	INR Lacs
<b>Profit after tax available for equity shareholders</b>	<b>0.31</b>	<b>(7.58)</b>
Weighted average number of equity shares	66.70	66.70
Nominal value of equity shares	10.00	10.00
<b>Basic and diluted Earnings Per Share</b>	<b>0.005</b>	<b>(0.11)</b>

**24. Segment Reporting:**

The Company's Board of Directors has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocated the resources based on an analysis of various performance indicators. The Company is primarily engaged in the business of financial services mainly Portfolio Management Services (PMS) and dealing with Synergical investments. The same has been considered as business segment and the management considers these as a single reportable segment. Accordingly, disclosure of segment information has not been furnished.

**25. Related party disclosures:**
**a)**

Category	Name of the Related Party/ Relationship
Holding Company	Aryaman Financial Services Limited
	Mr. Shripal Shah, Director & CFO
Key Managerial Personnel	Mr. Shreyas Shah, Director
	Ms. Gunjan Kataruka, Company Secretary (upto 08-01-2020)
	Ms. Chaitali Pansari (w.e.f. 09.01.2020)
Key Managerial Personnel's Relatives	Mrs. Meloni Shah (Wife of Shripal Shah & Employee)

Transactions carried out with related parties referred in (a) above, in ordinary course of business:

Name of the Related Party	For the year ended March 31, 2020	For the year ended March 31, 2019
	INR Laacs	INR Laacs
Mrs. Meloni Shah - Salary Paid	1.80	1.80
<b>Issue of shares</b>		
-Aryaman Financial Services Limited	-	-
-Mr. Shripal Shah, Director & CFO	-	-
-Mr. Shreyas Shah, Director	-	-

b) Balances outstanding:

Name of the Related Party	As at March 31, 2020	As at March 31, 2019
	INR Laacs	INR Laacs
Mrs. Meloni Shah - Salary Payable	0.15	0.15

## 26. Financial Instruments:

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** Other techniques for which all inputs which have a significant effect on the fair value are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

For March 31, 2020:

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
	INR Laacs	INR Laacs	INR Laacs	INR Laacs	INR Laacs
<b>Financial assets</b>					
Investments	1559.16	-	-	1559.16	1525.54
Trade receivables	-	-	12.81	12.81	12.81
Cash and cash equivalents	-	-	2.58	2.58	2.58
Other bank balances	-	-	30.00	30.00	30.00
Other financial assets	-	-	0.01	0.01	0.01
<b>Total Financial assets</b>	<b>1559.16</b>	<b>-</b>	<b>45.40</b>	<b>1604.56</b>	<b>1604.56</b>
<b>Financial liabilities</b>					
Trade payables	-	-	0.58	0.58	0.58
Others	-	-	0.78	0.78	0.78
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1.36</b>	<b>1.36</b>	<b>1.36</b>



**For March 31, 2019:**

Particulars	FVOCI INR Laacs	FVTPL INR Laacs	Amortised cost INR Laacs	Total fair value INR Laacs	Carrying amount INR Laacs
<b>Financial assets</b>					
Investments	1525.54	-	-	1525.54	1525.54
Trade receivables	-	-	0.34	0.34	0.34
Cash and cash equivalents	-	-	2.75	2.75	2.75
Other bank balances	-	-	30.00	30.00	30.00
Other financial assets	-	-	3.25	3.25	3.25
<b>Total Financial assets</b>	<b>1525.54</b>	<b>-</b>	<b>36.34</b>	<b>1561.88</b>	<b>1561.88</b>
<b>Financial liabilities</b>					
Borrowings	-	-	-	-	-
Trade payables	-	-	0.30	0.30	0.30
Others	-	-	0.79	0.79	0.79
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1.09</b>	<b>1.09</b>	<b>1.09</b>

**Fair value estimation**

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

**Level 1:** quoted prices for identical instruments;

**Level 2:** directly or indirectly observable market inputs, other than Level 1 inputs; and;

**Level 3:** inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarized below:

**For March 31, 2020:**

Particulars	Level 1 INR Laacs	Level 2 INR Laacs	Level 3 INR Laacs
Assets at fair value - Investments	1559.16	-	-

**For March 31, 2019:**

Particulars	Level 1 INR Laacs	Level 2 INR Laacs	Level 3 INR Laacs
Assets at fair value - Investments	1525.54	-	-

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

**27. Financial risk factors**

The Company's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide to support its operations. The Company's principal financial assets include Investments (Strategic and Non Strategic), loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized as below.

**a) Liquidity risk**

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company. The Company does not have any undrawn borrowing facilities with the Banks/Financial institutions.

(i) The following is the contractual maturities of the financial liabilities:

**As at March 31, 2020:**

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
	INR Laes	INR Laes	INR Laes	INR Laes
<b>Non-derivative liabilities</b>				
Trade payables	0.58	-	0.58	-
Other financial liabilities	0.78	-	0.78	-
<b>Total</b>	<b>1.36</b>	<b>-</b>	<b>1.36</b>	<b>-</b>

**As at March 31, 2019:**

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
	INR Laes	INR Laes	INR Laes	INR Laes
<b>Non-derivative liabilities</b>				
Trade payables	0.30	-	0.30	-
Other financial liabilities	0.79	-	0.79	-
<b>TOTAL</b>	<b>1.09</b>	<b>-</b>	<b>1.09</b>	<b>-</b>

**b) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investment, deposits, foreign currency receivables and payables. The Company's Management and related team manage the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

**(i) Foreign currency risk**

Foreign currency risk can only arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company's functional and presentation currency is INR. The Company does not have any foreign currency transactions and hence is not exposed to the Foreign Currency Risks.

**(ii) Interest Rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's does not have any long term borrowings. Hence, the Company is not exposed to the interest rate risk.

**(iii) Price risk**

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either at fair value through OCI or at fair value through profit and loss. To manage its price risk arising from investments in equity securities, the Company offsets its risk through strong research policies practice followed.

**Sensitivity:**

The table below summarizes the impact of increases/ (decreases) of the BSE index on the Company's equity and Gain/ (Loss) for the period. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

**Impact on Profit before tax:**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	INR Laes	INR Laes
BSE Sensex - Increase 5 %	77.96	76.28
BSE Sensex - Decrease 5%	(77.96)	(76.28)

**c) Credit risk:**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.

The Company is not significantly exposed to the credit risk toward trade receivables considering the nature of services provided by the Company.

Trade receivables that have exposure to the Credit risks

Particulars	As at March 31, 2020 INR Lacs	As at March 31, 2019 INR Lacs
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	12.81	0.34

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations.
- (iv) Significant increase in credit risk on other financial instruments of same counterparty

**Ageing of the accounts receivables**

Particulars	As at March 31, 2020 INR Lacs	As at March 31, 2019 INR Lacs
Not due	-	-
0-180 days	12.81	1.16
> 180 days	-	-
<b>TOTAL</b>	<b>12.81</b>	<b>1.16</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2020 and March 31, 2019.

**28. Capital risk management:**

The Company's objectives when managing capital are to:

- (i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**29.** The outbreak of COVID-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Company in terms of sales and production. The management has considered the possible effects that may

result from the pandemic on the recoverability / carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.

30. There are no litigations pending by or against the Company.

**31. Recent Accounting pronouncements:**

**Ind AS 116 - Leases:**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

**Ind AS 12 – “Income taxes” - Appendix C – Uncertainty over income tax treatments**

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.”

32. The financial statements were approved for issue by the Board of Directors on 30<sup>th</sup> July, 2020.

33. The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable.

34. Figures have been rounded off to the nearest lacs of rupees.

**For V.N. PUROHIT & CO.**  
Chartered Accountants  
Firm Registration No. 304040E

**For and on behalf of the Escorp Asset Management Limited**

**Sd/-**  
**O.P.Pareek**  
**Partner**  
Membership No. 014238  
UDIN: 20014238AAAADP9086

**Sd/-**  
**Shripal Shah**  
(Executive Director)  
DIN: 01628855  
Place: Mumbai  
Date: July 30, 2020

**Sd/-**  
**Shreyas Shah**  
(Executive Director)  
DIN: 01835575

**Sd/-**  
**Chaitali Pansari**  
(Company Secretary)  
(BKHPP6512N)

Date: 30th July, 2020  
Place: Mumbai


**ESCORP ASSET MANAGEMENT LIMITED**
**Registered Office:** 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai 400 001

**Tel.:** 022 – 6216 6999; **Fax:** 022 – 22630434

**CIN:** L17121MH2011PLC213451

**Website:** [www.escorpamc.co.in](http://www.escorpamc.co.in) **Email:** [info@escorpamc.co.in](mailto:info@escorpamc.co.in)
**PROXY FORM**
*[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*
**9th Annual General Meeting – Monday, September 28, 2020**

Name of the Member(s):	
Registered Address:	
Email-Id:	
Folio No./Client ID:	
DP ID:	

I/we, being the member (s) of .....shares of the above named company, hereby appoint

 1. Name..... Email:.....Address:.....  
 Signature: \_\_\_\_\_

Or failing him/her

 2. Name..... Email:.....Address:.....  
 Signature: \_\_\_\_\_ or

Or failing him/her

 3. Name..... Email:.....Address:.....  
 Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual General Meeting of the Company, to be held on Monday, September 28, 2020 at 01.00 P.M. at Registered Office of the Company at 60, Khatau Building, Alkesh Dinesh Modi Marg, Fort, Mumbai - 400 001 and at any adjournment thereof in respect such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary Business:</b>				
1.	Adoption of Audited Financial Statements of the Company for the year ended March 31, 2020, the reports of the Board of Directors and auditors thereon.			
2.	Appoint a director in place of Mr. Shreyas Shah, who retires by			

	rotation and being eligible, seeks reappointment			
--	--	--	--	--

Signed this..... day of.....2020

.....  
Signature of shareholder(s)

.....  
Signature of Proxy holder(s)

Please Affix ₹.1  
Revenue  
Stamp

.....  
Signature of Proxy holder(s)

.....  
Signature of Proxy holder(s)

**Notes:**

1. *This form of proxy in order to be effective should be duly completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.*
2. *It is optional to indicate your preference. If you leave for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.*
3. *The proxy need not be a member of the company. Appointing proxy does not prevent a member from attending in person if he so wishes.*
4. *In case of Joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.*

**ESCORP ASSET MANAGEMENT LIMITED****Registered Office:** 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Fort, Mumbai 400 001**Tel.:** 022 – 6216 6999; **Fax:** 022 – 22630434**CIN:** L17121MH2011PLC213451**Website:** [www.escorpamc.co.in](http://www.escorpamc.co.in) **Email:** [info@escorpamc.co.in](mailto:info@escorpamc.co.in)**ATTENDANCE SLIP**

<b>Registered Folio No./DP ID no./Client ID no.:</b>	
<b>DP ID - Client ID</b>	
<b>No. of Shares Held</b>	

I hereby record my presence at the 9th Annual General Meeting of the Company on Monday, September 28, 2020 at 01.00 P.M. at 60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg, Opp. P.J. Tower (BSE Bldg), Fort, Mumbai – 400 001.

.....	.....
<b>Name of the member/proxy</b> <b>(in BLOCK Letters)</b>	<b>Signature of the member/proxy</b>

*Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Notice for reference to the AGM.*

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