

ANNUAL REPORT

CLARITY FINANCIAL SERVICES LIMITED

**FOR THE FINANCIAL YEAR
2017-2018**

BOARD OF DIRECTORS

Sanjay Gupta, Managing Director
Ajay Gupta, Director
Bharati Gupta, Director
Tamanna Gupta, Director

REGISTERED OFFICE

29, Ganesh Chandra Avenue, 4th Floor
Kolkata - 700 013
West Bengal
India

AUDITORS

Prateek Agarwal
Chartered Accountants
R. No. 401, Floor - 4th,
335, Netaji Subhash Road
Howrah - 711101

REGISTRAR & SHARE TRANSFER AGENT

R & D Infotech Private Ltd.
22/4, Nakuleshwar Bhattacharya Lane
Kolkata - 700 026

Prateek Agarwal

CHARTERED ACCOUNTANTS

Block - A, Floor - 4th, 335, Netaji Subhash Road, Near Kali Babu Bazar, Howrah - 711101
Mob. : +91 9831711567, E-mail : ca.prateekagarwal22@gmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLARITY FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **CLARITY FINANCIAL SERVICES LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements and cash flow statement that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements and cash flow statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and cash flow statement based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements and cash flow statement that give true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements and cash flow statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018, its profit for the year ended on that date.



Prateek Agarwal

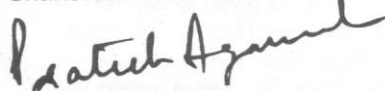
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Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of 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 and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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**"; and
 - g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

For Prateek Agarwal
Chartered Accountants



(Prateek Agarwal)
Proprietor
(Membership No.: 306187)



Place: Howrah
Date: 04.09.2018

Prateek Agarwal

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Block - A, Floor - 4th, 335, Netaji Subhash Road, Near Kali Babu Bazar, Howrah - 711101
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Annexure - A to the Auditors' Report of M/s. CLARITY FINANCIAL SERVICES LIMITED

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of CLARITY FINANCIAL SERVICES LIMITED on the accounts of the company for the year ended 31st March, 2018]

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

(i) I in respect of its fixed assets:

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

(ii) I in respect of its inventory,

- a) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- b) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

(iii) In respect of loans, secured or unsecured, the company has not granted secured or unsecured loan to (Firms or other parties) covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The company has not accepted deposits within the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

(vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

(vii) In respect of statutory dues:

- a) According to the records of the company and information and explanations given to us, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, employees state insurance (ESI), Investor Education and Protection Fund, Income-tax, Tax deducted at sources, Tax collected at source, Professional Tax, Sales Tax, value added tax (VAT), Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.
- b) According to the information and explanations given to us, there were no disputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, sales tax, VAT, Cess and other



Prateek Agarwal

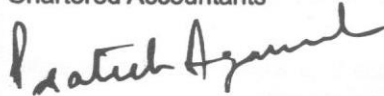
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material statutory dues in arrears / were outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (ix) No Moneys has been raised by way of initial public offer or further public offer (including debt instruments) and no term loan has been taken by the Company during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (xi) The managerial remuneration has not been paid hence clause 3(xi) is not applicable.
- (xii) This is not a Nidhi Company.
- (xiii) All the 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 accounting standards;
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Prateek Agarwal
Chartered Accountants



(Prateek Agarwal)
Proprietor
(Membership No.: 306187)



Place: Howrah
Date: 04.09.2018

Prateek Agarwal

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Annexure - B to the Auditors' Report of **M/s. CLARITY FINANCIAL SERVICES LIMITED**

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

We have audited the internal financial controls over financial reporting of **M/s CLARITY FINANCIAL SERVICES LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accounts of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised



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acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

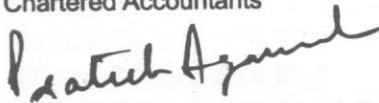
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Prateek Agarwal
Chartered Accountants



(Prateek Agarwal)
Proprietor
(Membership No.: 306187)



Place: Howrah
Date: 04.09.2018

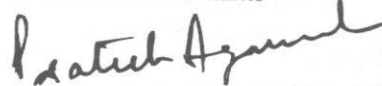
CLARITY FINANCIAL SERVICES LIMITED
CIN: L65999WB1993PLC058631

Balance Sheet as at 31st March, 2018

Particulars		Note No.	As at 31st March, 2018	As at 31st March, 2017
			₹	₹
A	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share capital	2	3,10,01,000	3,10,01,000
	Reserves and surplus	3	2,83,38,492	2,59,79,935
			5,93,39,492	5,69,80,935
	Non-current liabilities			
	Deferred tax liabilities (net)		7,40,704	7,60,527
			7,40,704	7,60,527
	Current liabilities			
	Trade payables	4	1,95,92,210	2,13,16,033
	Other current liabilities	5	9,96,209	8,67,880
	Short-term provisions	6	8,97,233	11,21,241
			2,14,85,652	2,33,05,154
	TOTAL		8,15,65,848	8,10,46,616
B	ASSETS			
	Non-current assets			
	Fixed assets			
	- Tangible assets	7	16,16,017	35,13,710
	Long Term Loans & Advances	8	5,76,520	5,76,520
	Non-Current Investment	9	2,24,66,042	2,05,61,004
			2,46,58,579	2,46,51,234
	Current assets			
	Inventories	10	1,77,74,971	2,73,88,275
	Trade receivables	11	6,50,000	59,40,754
	Cash and cash equivalents	12	3,53,66,613	1,98,27,704
	Short-term loans and advances	13	31,15,685	32,38,649
			5,69,07,269	5,63,95,382
	TOTAL		8,15,65,848	8,10,46,616
	Significant Accounting Policies & Notes on financial statements	1-27		

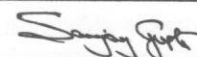
In terms of our report attached.

 For Prateek Agarwal
Chartered Accountants

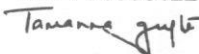


 (Prateek Agarwal)
Proprietor
(Membership No.: 306187)

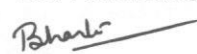
 Place: Kolkata
Date: 04.09.2018



 (Sanjay Gupta)
Director
DIN : 01383122



 (Tamanna Gupta)
Director
DIN : 07842312



 (Bharati Gupta)
Director
DIN : 06829341

CLARITY FINANCIAL SERVICES LIMITED					
CASH FLOW STATEMENT					
For the year ended 31st March 2018.					
		2017-18		2016-17	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit/(Loss) before Tax	32,81,806		59,99,266	
	Adjustment for :-				
	Depreciation	3,56,173		2,82,344	
	Profit on sale Fixed Assets	(3,68,082)		-	
	Profit on sale of Investment	(99,645)		-	
	Interest Received	(7,54,169)		(6,51,388)	
	Dividend Received	(1,05,102)		(1,15,035)	
	Cash from operation before working capital changes	23,10,981		55,15,187	
	Adjustment for :-				
	(Increase) / Decrease in Inventories	96,13,304		(17,01,002)	
	(Increase) / Decrease Trade Receivable	52,90,754		24,97,225	
	(Increase) / Decrease in Long Term Loans & Advances	-		-	
	(Increase) / Decrease Short Term Loans & Advances	1,22,964		(2,05,745)	
	(Increase) / Decrease in Other Current Assets	-		-	
	(Increase) / Decrease Other Current Liabilities	1,28,330		(1,74,325)	
	(Increase) / Decrease Trade Payables	(17,23,823)		60,43,685	
	Cash Utilised in Operating Activities	1,57,42,510		1,19,75,025	
	(-) Taxes Paid	11,67,080		9,18,964	
	Net Cash Flow from Operating Activities		1,45,75,430		1,10,56,061
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Interest Received				
	Dividend Received	7,54,169		6,51,388	
	Decrease/(Increase) in Investment	1,05,102		1,15,035	
	Purchase of Fixed Assets	(18,05,393)		(65,27,678)	
	Net Cash Flow from Investing Activities	19,09,602		4,16,733	
			9,63,480		(53,44,522)
C.	CASH FLOW FROM FINANCING ACTIVITIES				
	Increase / (Decrease) in Long Term Borrowings	-		(70,202)	
	Increase / (Decrease) in Short Term Borrowings	-		(1,29,619)	
	Proceeds from issued of Share Capital	-		-	
	Net Cash Flow from Financing Activities				(1,99,821)
	Net Cash & Cash Equivalent generated during year (A+B+C)		1,55,38,910		55,11,718
	Opening Cash and Cash Equivalents		1,98,27,704		1,43,15,986
	Closing Cash & Cash Equivalents		3,53,66,614		1,98,27,704

AUDITORS CERTIFICATE

We have verified the attached Cash Flow Statement of Clarity Financial Services Ltd. for the year ended 31st March, 2018. This statement has been prepared in accordance with the requirements of Listing Agreement Clause No 32 with Stock Exchanges and is based on and in agreement with the Corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Place : Kolkata
Date : 04/09/2018



For Prateek Agarwal
Chartered Accountants
M. No. 306187

Prateek Agarwal
(Prateek Agarwal)

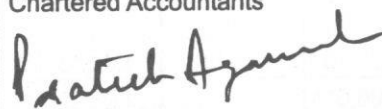
CLARITY FINANCIAL SERVICES LIMITED

Statement Of Profit & Loss Account For he Year Ended 31st March, 2018

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
		₹	₹
I. Revenue from Operations	14	1,91,96,18,945	1,92,85,31,609
II. Other Income	15	7,67,737	56,13,237
III. Total Revenue (I+II)		1,92,03,86,682	1,93,41,44,846
IV. EXPENSES			
Purchases of stock in Trade	16	1,89,30,05,094	1,91,58,62,619
Changes in inventories of Finished Goods- -Work in Progress and Stock in Trade	17	96,13,304	(17,01,002)
Employee Benefit Expenses	18	90,22,845	84,52,784
Finance Cost	19	98,289	19,484
Depreciation and Amortisation Expenses	7	3,56,173	2,82,344
Other Expenses	20	50,09,171	52,29,350
Total Expenditure		1,91,71,04,876	1,92,81,45,580
V. Profit/(Loss) Before Tax (III-IV)		32,81,806	59,99,266
VI. Tax Expense			
- Current Tax		8,97,233	11,21,241
- Deferred Tax		(19,823)	36,625
- Tax Adjustment Relating to Earlier Years		45,839	(4,29,947)
		9,23,249	7,27,919
VII. Profit/(Loss) After Tax (V-VI)		23,58,558	52,71,347
VIII. Earnings Per Share - Nominal Value of Share ₹ 10/- each fully paid-up			
Basic (₹)		0.76	1.70
Diluted (₹)		0.76	1.70
Significant Accounting Policies & Notes on Financial Statements	1-27		

Notes referred to above from an integral part of financial Statements.

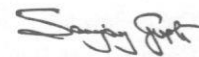
As per our Report of even date attached.
For Prateek Agarwal
Chartered Accountants



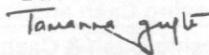
(Prateek Agarwal)
M. No.: 306187



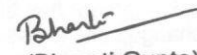
Place: Kolkata
Date: 04.09.2018



(Sanjay Gupta)
Director
DIN : 01383122



(Tamanna Gupta)
Director
DIN : 07842312



(Bharati Gupta)
Director
DIN : 06829341

CLARITY FINANCIAL SERVICES LIMITED

Notes on Financial Statements for the year ended 31st March 2018.

Note No. 1

	Particulars								
	SIGNIFICANT ACCOUNTING POLICIES								
a)	<p>ACCOUNTING CONCEPTS</p> <p>The Financial statements are prepared on the accrual basis of accounting and under the historical cost convention in accordance with the generally accepted accounting policies in India and the provisions of the Companies Act, 2013 and comply in material aspects with Accounting Standards notified by the Central Govt. under section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006 as applicable to a Small and Medium Size Company (SMC).</p>								
b)	<p>TANGIBLE ASSETS</p> <p>Tangible Assets are stated at cost less accumulated depreciation, Cost includes freight, duties, taxes and other incidental expenses.</p>								
c)	<p>DEPRECIATION / AMORTISATION</p> <p>Depreciation on fixed assets has been provided on written down value method at the rates determined based on the estimated useful lives of the tangible assets wherever applicable, specified in the schedule II of the Act and in keeping with other provisions of the said schedule.</p>								
d)	<p>IMPAIRMENT OF ASSETS</p> <p>No provision need to be made as the estimated realizable value of all assets will be more than the value stated in the Balance Sheet.</p>								
e)	<p>INVENTORIES</p> <p>Stock of Foreign Currencies is stated lower of cost or Market Price.</p>								
f)	<p>INVESTMENTS</p> <p>Investment have been stated at cost.</p>								
g)	<p>PROVISIONS AND CONTINGENCIES</p> <p>A provision is recognised when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources in respect of which a reliable estimate can be made. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised not disclosed in the financial statements.</p>								
h)	<p>REVENUE RECOGNITION</p> <p>Revenue from Sales of goods is recognised upon passage of title to the customers. Interest and other income are recognised on accrual basis.</p>								
i)	<p>INCOME TAXES</p> <p>Provision for Taxation (current taxation) has been made as per Income Tax Act 1961.</p> <p>In accordance with the requirements under the accounting standard 22 (AS 22) relating to deferred tax, the deferred tax liability at the year end works out to be in the region of Rs. 7,40,704/- (as on 31/03/2017 Rs. 7,60,527/-) As a measure of prudence and as recommended by AS 22, the same has been recognised in the accounts.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Composition of Deferred tax liability (net)</td> <td style="width: 20%;"></td> </tr> <tr> <td>Deferred Tax Liability as on 31.03.2017.</td> <td style="text-align: right;">7,60,527</td> </tr> <tr> <td>Less : Deferred Tax Assets for the year</td> <td style="text-align: right;">(19,823)</td> </tr> <tr> <td>Deferred Tax Liability as on 31.03.2018.</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">7,40,704</td> </tr> </table>	Composition of Deferred tax liability (net)		Deferred Tax Liability as on 31.03.2017.	7,60,527	Less : Deferred Tax Assets for the year	(19,823)	Deferred Tax Liability as on 31.03.2018.	7,40,704
Composition of Deferred tax liability (net)									
Deferred Tax Liability as on 31.03.2017.	7,60,527								
Less : Deferred Tax Assets for the year	(19,823)								
Deferred Tax Liability as on 31.03.2018.	7,40,704								



CLARITY FINANCIAL SERVICES LIMITED

Notes on Financial Statements for the year ended 31st March 2018.

j) **Contingent Liability**

Contingent liabilities not provided for in respect of :

- (l) Bank Guarantee given to American Express Bank Ltd. Travel related services for stocking Amex Travellers Cheque Rs. 49,99,625/- (P. Y. Rs. 49,99,625/-)
- k) No interest has been credited on loans and advances amounting to Rs. 15,00,000/- (P.Y. Rs. 15,00,000/-) including previously charged interest which are overdue for payment.
- l) No provision has been made by the company in respect of Gratuity payable to eligible employees.
- m) The Company is holding full fledged money changer license form RBI and regular regarding in adhering to the prescribed compliance of KYC/AML/CFT guidelines issued by Reserve bank of India.
- n) The management has certified that the company has not received any intimaiton from its vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to total outstanding dues to Micro, Small and Medium Enterprises and the principal amount of interest due thereon remaining unpaid and the amount of interest paid/payable, as required under amended schedule VI of the Companies Act, 1956 could not be complied and disclosed.



CLARITY FINANCIAL SERVICES LIMITED

Notes on Financial Statements for the year ended 31st March 2018.

Note No.	Particulars	FY 2017-18		FY 2016-17	
		Number of Shares	Amount ₹	Number of Shares	Amount ₹
2	SHARE CAPITAL				
A.	<u>Authorised</u> Equity shares of ₹10 each.	50,00,000	5,00,00,000	50,00,000	5,00,00,000
B.	Issued, Subscribed and Paid-up Equity shares of ₹ 10 each.	31,00,100	3,10,01,000	31,00,100	3,10,01,000
C.	Reconciliation of number of shares outstanding Equity Shares at the beginning of the year	31,00,100	3,10,01,000	31,00,100	3,10,01,000
	Add: Shares issued during the year	-	-	-	-
	Equity Shares at the End of the year	31,00,100	3,10,01,000	31,10,100	3,10,01,000
D.	The Company has only one class of equity share and each such equity share has the right for one vote and is entitled to dividends, if declared by the Company.				
E.	The details of share holders holding more than 5% Equity Shares	No of Equity Shares held	%age	No of Equity Shares held	%age
	CRB Trustee Ltd. A/C Crb Mutual Fund	2,00,000	6.45	2,00,000	6.45
	Sanjay Gupta	2,14,610	6.92	2,14,610	6.92
			-		-
3.	RESERVE AND SURPLUS	FY 2017-18		FY 2016-17	
a.	Securities Premium Reserve As per Last Balance Sheet	Amount ₹	Amount ₹	Amount ₹	Amount ₹
	Add: During the year	-	-	-	-
b.	Surplus As per Last Financial Statement	2,59,79,935	2,83,38,492	2,07,08,587	2,59,79,935
	Add: During the year	23,58,558		52,71,347	
			2,83,38,492		2,59,79,935
Note No.	Particulars			FY 2017-18 Amount ₹	FY 2016-17 Amount ₹
4.	TRADE PAYABLES				
a.	Due to Micro, Small and Medium Enterprise				
b.	Sundry Creditors for Goods			1,95,92,210	2,13,16,033
				1,95,92,210	2,13,16,033
5.	OTHER CURRENT LIABILITIES				
	<u>Sundry Creditors</u> for Expenses			9,51,173	5,74,660
	Other Liability				
	- Employee P. Tax Payable			-	1,950
	- Service Tax Payable			-	1,83,886
	- TDS Payable			45,036	1,07,384
				9,96,233	8,67,880
6.	SHORT TERM PROVISION				
a.	Provision for Income Tax			8,97,233	11,21,241
				8,97,233	11,21,241
8.	LONG TERM LOANS & ADVANCES				
	Security Deposit			620	620
	Security Deposit (Siliguri Office)			75,900	75,900
	Security Deposit for Office Rent 0 Karl Marx Sarani			5,00,000	5,00,000
				5,76,520	5,76,520
9.	NON CURRENT INVESTMENT				
	Investment in Equity Instrument (at cost)				
	Quoted			2,01,36,042	1,82,31,004
	Unquoted			23,30,000	23,30,000
				2,24,66,042	2,05,61,004



CLARITY FINANCIAL SERVICES LIMITED

**NOTE NO. : 7
TANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.17	ADDI- TION	DEDUC- TION	AS ON 31.03.18	AS ON 01.04.17	FOR THE YEAR	ADJUST- MENT	AS ON 31.03.18	AS ON 31.03.17	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Buildings	5,11,000			5,11,000	2,26,809	20,307	-	2,47,116	2,63,884	2,84,191
Car	4,85,000	8,49,647	4,85,000	8,49,647		66,823	57,144	9,679	8,39,968	4,85,000
Furniture & Fixture	8,98,584			8,98,584	8,03,646	50,009		8,53,655	44,929	94,938
Furniture & Fixture	1,37,943			1,37,943	52,616	26,209		78,825	59,118	85,327
Office Purchase	19,28,550		19,28,550	-	60,992	22,122	83,141	-	-	18,67,558
Office Equip.	2,91,334		2,91,334	-	1,21,493	-	1,21,493	-	-	1,69,841
Office Equip.	76,660	4,911		81,571	29,849	15,139		44,988	36,583	46,811
Camera	41,259			41,259	8,469	7,840		16,309	24,950	32,790
Note Counting Machine	39,821		39,821	-	4,321	-	4,321	-	-	35,500
Note Counting Machine	29,770			29,770	12,864	5,656		18,520	11,250	16,906
Computer Machine	7,69,529		7,69,529	-	7,65,745	-	7,65,745	-	-	3,784
Computer New	65,725	86,339		1,52,064	42,801	35,137		77,938	74,126	22,924
New Computer	2,41,121			2,41,121	74,762	70,433		1,45,195	95,926	1,66,359
New A.c	1,67,500			1,67,500	29,334	28,336		57,670	1,09,830	1,38,166
Air Conditioner	1,48,930			1,48,930	92,134	2,666		94,800	54,130	56,796
Generator	36,940			36,940	30,121	5,496		35,617	1,323	6,819
Grand Total	58,69,666	9,40,897	35,14,234	32,96,329	23,55,956	3,56,173	10,31,817	16,80,312	16,16,017	35,13,710
Previous Year	78,66,091	5,91,910	25,88,335	58,69,666	36,53,304	2,82,344	15,79,692	23,55,956	35,13,710	42,12,787



Note : There is no intangible assets hence not stated.

CLARITY FINANCIAL SERVICES LIMITED

Notes on Financial Statements for the year ended 31st March 2018.

Note No.	Particulars	Note No.	FY 2017-18	FY 2016-17
			Amount ₹	Amount ₹
10.	<u>INVENTORIES</u>		1,77,74,971	2,73,88,275
	Trading Goods		1,77,74,971	2,73,88,275
11.	<u>TRADE RECEIVABLES</u>		-	-
	Outstanding for a period exceeding six months from the date they are due for payment		6,50,000	59,40,754
	Others (Unsecured, considered Good)		6,50,000	59,40,754
12.	<u>CASH AND CASH EQUIVALENTS</u>			
	Cash in hand		83,46,208	27,26,235
	<u>Balances with Scheduled Bank</u>			
	in Current Account		1,60,27,154	67,86,969
	in Fixed Deposits with Bank		1,09,93,251	1,03,14,500
			3,53,66,613	1,98,27,704
13.	<u>SHORT TERM LOANS AND ADVANCES</u>			
	Loan to Others		15,00,000	15,00,000
	Staff Advance		4,23,400	5,25,400
	SGST Input		2,425	-
	GST Receivable from Branch Office		25,141	-
	Incentive Receivable Account		3,27,120	13,685
	Commission Receivable		1,139	2,63,829
	Prepaid Expenses		5,219	-
	Advance Income Tax		6,00,000	6,50,000
	Income Tax Refundable (2012-13)		-	45,839
	Tax Deducted At Source-current Year		2,31,241	2,39,869
			31,15,685	32,38,649
	14.	<u>REVENUE FROM OPERATIONS</u>		
<u>Sales of Products</u>				
Trading Goods			1,22,30,59,926	1,26,74,90,766
- Foreign Currencies Money Changing Sales			2,00,88,767	4,44,03,434
- Money Changing Sales Tc			54,30,77,513	50,77,33,097
- Sales Vtm A/C			23,44,954	30,46,775
- Surrender Tc A/C			12,74,05,850	10,23,24,965
- Surrender Vtm A/C			1,220	10,630
- Other Commission			5,06,837	4,05,755
- Service Charges			2,39,388	5,86,002
- Commission Received (W.U.)			1,240	-
- Xpress Money (Commission)			28,66,580	25,14,430
- Axis Bank Tcdc Incentives			16,357	15,755
- Commission from Money Gram			10,313	-
- Multimoney Incentive				
		1,91,96,18,945	1,92,85,31,609	



CLARITY FINANCIAL SERVICES LIMITED

Note No.	PARTICULARS	FY 2017-18 ₹	FY 2016-17 ₹
15.	OTHER INCOME		
	- Dividend Received	1,05,102	1,15,035
	- Profit/Loss On Sale Of Investment short term	18,440	3,33,623
	- Profit on Sale of Investment (Long Term)	81,205	26,64,364
	- Interest On Fixed Deposit	7,54,169	6,51,388
	- Interest On I.T. Refund	-	15,460.00
	- Profit On Sale Of Fixed Assets	3,68,082	-
	- Profit on Sale of Future Trading	(5,67,014)	18,22,762
	- Speculation Profit/Loss	7,753	10,606
		7,67,737	56,13,237
16.	PURCHASE OF STOCK IN TRADE		
	Purchases		
	- Encashment Cn A/C	1,20,23,75,191	1,26,03,81,834
	- Encashment Tc A/C	23,31,695	30,32,855
	- Unsettled VTM	-	-
	- Unsettled TC	-	-
	- Purchase Vtm A/C	12,72,46,088	10,15,85,728
	- Settlement TC A/c	1,99,35,362	4,42,05,839
	- Settlement VTM A/c	54,11,16,758	50,66,56,363
		1,89,30,05,094	1,91,58,62,619
17.	CHANGE IN INVENTORY		
	<u>Closing Stock</u>		
	Trading Goods	1,77,74,971	2,73,88,275
	Sub Total	1,77,74,971	2,73,88,275
	<u>Opening Stock</u>		
	Trading Goods	2,73,88,275	2,56,87,273
	Sub Total	2,73,88,275	2,56,87,273
	Net (Increase)/Decrease in Inventory	96,13,304	17,01,002
18.	EMPLOYEE BENEFIT EXPENSES		
	Salaries, Bonus & Wages	85,20,002	80,03,912
	Contribution to Employees Fund	5,02,843	4,48,872
		90,22,845	84,52,784
19.	FINANCE COST		
	Interest Expenses	98,289	19,484
		98,289	19,484
20.	OTHER EXPENSES		
	Rent	10,23,600	9,47,460
	Payment to Auditors		
	- Audit Fees	35,000	35,000
	- Tax Audit Fees	21,000	21,000
	Bank Charges	90,301	76,030
	Brokerage	15,69,656	8,23,277
	Business Promotion Expenses	67,463	3,24,367
	Telephone Expenses	2,30,524	3,17,741
	Conveyance	5,13,195	2,60,159
	Insurance Charges	43,638	55,418
	Miscellaneous Expenses	14,14,794	23,68,899
		50,09,171	52,29,350
21	Payment to Auditors		
	- Audit Fees	35,000	35,000
	- Tax Audit Fees	21,000	21,000
	- Certification and Other Fees	-	13,664
		56,000	69,664



CLARITY FINANCIAL SERVICES LIMITED		
Details of Statement of Profit & Loss A/c.	FY 2017-18	FY 2016-17
	₹	₹
Sales		
Sales CN A/C	1,22,30,59,926	1,26,74,90,766
Sales Tc A/C	2,00,88,767	4,44,03,434
Sales Vtm A/C	54,30,77,513	50,77,33,097
Surrender Tc A/C	23,44,954	30,46,775
Other Commission	12,74,05,850	10,23,24,965
Service Charges	1,220	10,630
Commission Received (W.U.)	5,06,837	4,05,755
Xpress Money (Commission)	2,39,388	5,86,002
Axis Bank Tcdc Incentive	1,240	-
Money Gram (Commission)	28,66,580	25,14,430
Multimoney Incentive	16,357	15,755
	10,313	-
	1,91,96,18,945	1,92,85,31,609
Other Income		
Dividend Received	1,05,102	1,15,035
Interest ON Fixed Deposit	7,54,169	6,51,388
Interest On I.T. Refund	-	15,460
Speculation Profit/Loss	7,753	10,606
Refund From Enforcement Department	-	1,00,000
Profit On Sale On Fixed Assets	3,68,082	-
Profit On Sale Of Future Trading	(5,67,014)	18,22,762
Profit On Sale Of Investment (Long)	81,205	26,64,364
Profit On Sale Of Investment (Short)	18,440	3,33,623
	7,67,737	57,13,237
Purchase		
Encashment Cn A/C	1,20,23,75,191	1,26,03,81,834
Encashment Tc A/C	23,31,695	30,32,855
Purchase Vtm A/C	12,72,46,088	10,15,85,728
Settlement Tc A/C	1,99,35,362	4,42,05,839
Unsettled Tc A/C	-	-
Unsettled Vtm A/C	-	-
Settlement Vtm A/C	54,11,16,758	50,66,56,363
	1,89,30,05,094	1,91,58,62,619
Finance Cost		
Interest Paid others	98,289	328
Interest On I. Tax	-	15,333
Interest Paid On Car Loan	-	3,823
	98,289	19,484
Audit Fees	35,000	35,000
Tax Audit Fees	21,000	21,000
	56,000	56,000
Branch Office Rent	-	6,41,460
Office Rent	10,23,600	3,06,000
	10,23,600	9,47,460
Salaries, Bonus & Wages		
Salary & Bonus	46,10,577	51,12,099
Director Remuneration	37,20,000	22,80,000
Director Medical Expenses	-	3,95,444
Staff & Welfare	1,89,425	2,16,369
	85,20,002	80,03,912
Contribution to Gratuity	-	-
Contribution to Esi	1,40,291	90,903
Contribution to Provided Fund	3,62,552	3,57,969
	5,02,843	4,48,872

CLARITY FINANCIAL SERVICES LIMITED		
Brokerage		
Commission Paid On Cn	9,28,264	3,65,503
Commission Paid On Tcs	1,15,210	56,520
Commission Paid On Vtms	5,26,182	2,61,924
Commission Paid	-	1,39,330
	15,69,656	8,23,277
Insurance Charges	43,638	55,418
	43,638	55,418
	<u>FY 2017-18</u>	<u>FY 2016-17</u>
	₹	₹
Miscellaneous Expenses		
Advertisement Expenses	25,800	55,301
Annual Maintenance Charges	30,020	54,636
Speculation Profit / Loss	-	-
Basant Vihar Flat Owner Association - Maintenance	-	23,310
Books & Periodicals	-	3,200
Car Parking Charges	26,610	20,400
Computer Maintenance Ac	71,020	1,27,101
Donation	-	57,800
Electric Charges	2,39,570	2,88,421
Filing Fees	4,800	-
General Expenses	1,24,612	83,664
Marketing Expenses	-	1,696
Medical Expenses	-	11,817
Minerva Expenses	-	1,06,837
Minerva Technologies (Software)	1,16,519	1,14,555
Postage & Telegram	-	49,900
Pngky Scheme	1,83,414	2,28,478
Printing & Stationery	2,500	2,500
Prof. Tax Company	12,500	6,560
Prof. Tax Directors	-	-
Esi Arrear Contribution For 2014-15	2,24,556	8,90,601
Prof. Tax Employees	-	5,396
Legal & Professional Expenses	-	59,020
Loan Pre Closure Charges	-	1,40,803
Loss on Sales of Fixed Assets	900	-
Loss on insurance claim on theft car	12,853	7,200
Late on Fine GST	1,32,286	-
Licence Fees	45,702	12,905
Rates & Taxes	67,507	7,040
Repair & maintenance Car	78,000	-
Software Maintenance Charges	5,466	-
Sundry Balance W/Off	-	9,757
Service Tax Special Payment	2,700	-
Web Site Renewal Charges	7,458	-
SHARE EXPENSES (EQUITY)		
	14,14,794	23,68,899
Sundry Creditors for Expenses		
Liability For Exp	9,51,173	5,74,660
	9,51,173	5,74,660
Loan to Others		
G.E. Capital Services Ltd.	15,00,000	15,00,000
	15,00,000	15,00,000

CLARITY FINANCIAL SERVICES LIMITED
Computation of Total Income for the Assessment Year 2018-19

Pan : AABCC0364R

DOI : 22/04/1993

Income From Business & Profession

Profit as per Profit & Loss Account	32,81,806
Add: half percent of Average Investment u/s 14A	1,10,923
Add: GST Late Fine	900
Add: Depreciation as per Companies Act	3,56,173
	37,49,802
Less : Income to be Considered separately Profit on sales of Fixed Assets	3,68,082
Less : Depreciation as per Income Tax Rules	33,81,719
	2,92,021
Less : Profit on sale of Long term investment	30,89,698
Less : Profit on sale of Short term investment	81,205
	18,440
	29,90,054
Less: Exempted Income Dividend	1,05,102
	28,84,952
Add: Short Term Capital Gain on sales of Office Building	5,58,065
	34,43,017
	28,84,952

Income from business & profession

Short Term

Sales Consideration	1,07,925
Less: Cost of Acquisition	89,485
Less: Expenditure Incurred	-
Gross Total Income	18,440

Less: Deduction Under Chapter VIA	-
Total Income	29,03,392
Total Income Rounded Off	29,03,390

Computation of Tax

Tax on income from Business & profession	8,65,486
Tax on Short Term Capital Gain from Building	1,67,420
Tax on Short Term Capital Gain	2,766
Total Tax	10,35,672
Add: Education Cess & S.H.E. Cess @3%	31,070
Total tax payable	10,66,742

Computation of Book Profit U/S 115JB

Profit as per Profit & Loss Account	32,81,806
Less: Exempted Income Dividend U/s 10 (34)	1,05,102
	31,76,705
Book Profit rounded off to	31,76,700

Income Tax thereon @ 18.50%	5,87,690
Add: Education Cess @ 2%	11,754
Add: SHE Cess @ 1%	5,877
Total Tax	6,05,321

Income Tax payable (Being higher that ₹ 6,05,321)	10,66,742
	10,66,742
Less: Mat Credit Adjusted from Asst year 2017-18 957.88	13,684
	8,97,233

Less: T D S	2,31,241	2,17,557.00
Less: Advance Tax	6,00,000	
	8,31,241	
Total tax payable	65,992	B.

Actual Tax Amount Payable (Higher Of The Above i.e., A or B) 65,992

Add: Interest U/S 234A -	-
Add: Interest U/S 234B -	4,613
Add: Interest U/S 234C -	1,087
	71,692
Total Payable	71,692

Less: Paid u/s 140A	-
Payable/(Refundable)	-