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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sanjay Gupta, Managing Director
Mrs. Bharti Gupta, Executive Director
Ms. Tamanna Gupta, Executive Director
Ms. Vrinda Ganeriwala, Independent Director (w.e.f 4th June, 2019)
Ms. Gursharan Kaur, Independent Director (w.e.f 4th June, 2019)
Mr. Mohammad Masheer Zia Independent Director (w.e.f 4th June, 2019)

CHIEF FINANCIAL OFFICER

Mr. Archit Gupta (w.e.f 4th June, 2019)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Varsha Agarwal (w.e.f 4th June, 2019)

STATUTORY AUDITOR

M/s. Sultania & Co.,
Chartered Accountants
14/3, Chattawala Gully, 1st Floor
Kolkata 700 012

SECRETARIAL AUDITOR

Ms. Nisha Nahata, Practising Company Secretary

REGISTERED OFFICE

29, Ganesh Chandra Avenue, 4th Floor
Kolkata-700013 (W.B) India
Ph 033 4001 7379
Email: support@clarityforex.com
Website: www.clarityforex.com
CIN: L65999WB1993PLC058631

REGISTRAR & SHARE TRANSFER AGENT

7A, Beltala Road, Kolkata 700 026
Ph- 033 2419 2641 Fax- 033 2474 1657
Email: rd.infotech@vsnl.net, rdinfotech@yahoo.com

BANKERS

Karnataka Bank Limited
Yes Bank Limited
Kotak Mahindra Bank Limited
Axis Bank Limited
RBL Bank Limited
ICICI Bank Limited
HDFC Bank Limited



AUDIT COMMITTEE

Name	Designation	Category
Vrinda Ganeriwala	Director	Chairperson
Mohammad Masheer Zia	Director	Member
Sanjay Gupta	Director	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Name	Designation	Category
Vrinda Ganeriwala	Director	Chairperson
Mohammad Masheer Zia	Director	Member
Gursharan Kaur	Member	Member

NOMINATION & REMUNERATION COMMITTEE

Name	Designation	Category
Gursharan Kaur	Director	Chairperson
Vrinda Ganeriwala	Director	Member
Mohammad Masheer Zia	Member	Member



Clarity Financial Services Limited

NOTICE

Notice is hereby given that Twenty-Seventh (27th) **Annual General Meeting** of the Members of **M/s. Clarity Financial Services Limited** will be held at its registered office 29, Ganesh Chandra Avenue, 4th Floor, Kolkata 700 013, on Friday, 25th day of September, 2020 at 11.30 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2020, together with the Reports of Board of Directors and Auditors thereon.
2. To consider appointment of Director in place of Mrs. Bharti Gupta, Executive Director (DIN: 06829341), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider appointment of Director in place of Ms. Tamanna Gupta, Executive Director (DIN: 07842312), who retires by rotation and being eligible, offers herself for re appointment.
4. To appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the sixth consecutive Annual General Meeting and to fix their remuneration:

"RESOLVED THAT pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s.Sajjan Sultania, Partner in M/s. Sultania & Co. (FRN: 327263E), Chartered Accountants, Kolkata be and are hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of 27th Annual General Meeting till the conclusion of 32nd consecutive Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imburement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit."

SPECIAL BUSINESS:

5. Re-appointment of Sanjay Gupta (DIN: 01383122) as Managing Director of the Company for a period of five years from 25th September, 2020 till 24th September 2025.

To consider, and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read with



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Schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is hereby accorded for re-appointment of Mr. Sanjay Gupta (DIN: 01383122) as Managing Director of the Company for a five year term commencing from 25th September, 2020 till 24th September 2025, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 of the Act and in the agreement entered into between the Company and Managing Director, which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and Managing Director.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to revise the remuneration of Managing Director from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and Managing Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

Place: Kolkata
Date: 25th August, 2020

By Order of the Board of Directors
For Clarity Financial Services Limited
Sd/-

Varsha Agarwal
Company Secretary



Clarity Financial Services Limited

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('The ACT'), the following explanatory statements sets out all material facts relating to the business mentioned under Item No. 5 of the accompanying notice dated 25th day of August, 2020.

To Resolution No. 5

The Board of Directors, at their meeting held on 25th August, 2020, Mr. Sanjay Gupta as Managing Director of the Company for a period of 5 years from 25th September 2020 to 24th September 2025. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of the business, the services of Mr. Sanjay Gupta should be available to the Company for a further period of 5 (Five) years with effect from 25th September 2020 .

In terms of the provisions of the Act and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board at their meetings held on 25th August, 2020 re-appointed him as Managing Director of the Company for a further period of 5 (Five) years with effect from 25th September 2020 with appoint terms as approved by them

Salary

Salary will be paid at par as per market standards including House Rent Allowance, Leave Travel Allowance, Special Allowance, etc. with such annual increments/increases as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

Subject to any statutory ceiling/s, annual performance pay will additionally be applicable based Company's performance from time to time and as may be determined by the Nomination and Remuneration Committee (NRC) and Board

Place: Kolkata

Date: 25th August, 2020

**By Order of the Board of Directors
For Clarity Financial Services Limited
Sd/-**

**Varsha Agarwal
Company Secretary**



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NOTES :

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto and forms part of the notice.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country. Members have been provided with electronic voting facility.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT PROXY/ PROXIES TO ATTEND AND VOTE ON HIS/ HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and signed, at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

A person can act as Proxy on behalf of Members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company, carrying voting rights. However, a Member holding more than 10% of the total share capital of the Company, carrying voting rights, may appoint a single person, as Proxy and such person shall not act as Proxy for any other Member

The proxy form for the AGM is annexed herewith. The Proxy-holder shall carry his/ her identity proof at the time of attending the Meeting.

Corporate Members are required to send to the Company, a certified copy of the Board Resolution (together with the respective specimen signatures), pursuant to Section 113 of the Companies Act, 2013 (the Act) (as amended), authorizing their representative to attend and vote at the AGM. An authorised representative of a Body Corporate Member may also appoint a Proxy under his signature in the manner provided in para 1 above.

Requisition for inspection of proxies shall have to be made in writing by members entitled to vote on any resolution three days before the commencement of the meeting. Proxies shall be made available for inspection during twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.

For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is a part of the Notice. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue. Members / proxies should bring the duly filled Attendance Slip attached herewith to attend the meeting. Duplicate Attendance Slip and / or copies of the Annual Report shall not be issued/ available at the venue of the Meeting.

For easier identification Members attendance at the meeting, members are requested to bring their PAN card or Voter ID card along and the members who hold shares in dematerialized form, are requested to bring their Client ID and DP ID Nos.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday 19th September, 2020 to Friday, 25th September, 2020** (both days inclusive), for the purpose of Annual General Meeting.



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5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. In line with the aforesaid MCA Circulars 14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular"), the Notice of the 27th AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of 27th AGM and Annual Report 2019-20 will be available on the website of the Company at www.clarityforex.com. Notice of 27th AGM will also be available on the website of NSDL at www.evoting.nsdl.com.
8. The Securities and Exchange Board of India (SEBI), has mandated the submission of PAN by every Participants in the Securities Market. Members holding shares in demat form are requested to furnish a copy of PAN card to the Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form are required to submit their PAN card to the RTA.
9. In all the cases relating to the appointment, re-appointment of Directors at the ensuing AGM, the requisite details of Directors, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 is given in the explanatory statement to the Notice.
10. Members are requested to visit the website of the Company, www.clarityforex.com for viewing the Quarterly and Annual Financial Results and for more information about the Company. Further, the Notice for this AGM, along with requisite documents, and the Annual Report for the Financial Year 2019-20 shall also be available on the website of the Company at www.clarityforex.com
11. All documents referred to in the accompanying Notice and the explanatory Statement shall be open for inspection at the Registered Office of the company (11.30 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the general meeting of the company.
12. The Board has appointed **Ms. Nisha Nahata**, Practicing Company Secretary, (Membership No. 26540, Certificate of Practice No. 9624) as the Scrutinizer to scrutinize the voting process (electronically or otherwise), in a fair and transparent manner.
13. No dividend has been proposed by the Board of Directors for the year ended 31st March, 2020.
14. **Voting through electronic means:**
 - a. In compliance with the provisions of Section 108 of the Companies Act, 2013 and 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes



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by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- b. The remote e-voting period starts on Tuesday, 22nd September, 2020 (10.00 AM. IST) and ends on Thursday, 24th September, 2020, (5.00 PM. IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Friday, 18th September, 2020, may cast their votes electronically.
- c. The facility for voting through Poling 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.
- d. 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.

THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-

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.

Step 1: Log-in to NSDL E-voting system

- i. Visit the E-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>
- ii. Once the home page of E-voting system is launched, click on the icon “Login” which is available under 'Shareholders' section
- iii. 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 E-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL E-services after using your log-in credentials, click on E-voting and you can proceed to Step 2 i.e. cast your vote electronically.
- iv. Your User ID details will be as per details given below:
 - 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***).
- v. Your password details are given below:



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- 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 direct you to change your password.
- c) How to retrieve your 'initial password'?
 - i) Your 'initial password' is communicated to you in the attachment to this Email, 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'. If your E-mail ID is not registered, your initial password is being communicated with the Notice of AGM through physical mode.
 - vi) 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
 - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on 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 , mentioning your demat account number/ folio number, PAN, name and registered address.
 - vii) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 - viii) Now, you will have to click on “Login” button.
 - ix) After you click on the “Login” button, Home page of E-voting will open.

Step 2: Cast your vote electronically on NSDL E-voting system.

- i) 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.
- ii) 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.
- iii) Select “EVEN” of the Company.
- iv) Now you are ready for E-voting as the Voting page opens.
- v) 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.



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- vi) Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

- i) Your login id and password can be used by you exclusively for E-voting on the resolutions placed by the companies in which you are the shareholder.
 - ii) 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 nahatanisha@yahoo.com with a copy marked to evoting@nsdl.co.in
 - iii) 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 to reset the password.
 - iv) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.
17. The Results of remote E-voting and poll, as submitted by the Scrutinizer, shall be declared within 48 hours of the conclusion of the Meeting of the Company, by the Chairman or by any other person duly authorised in this regard. The Results declared along with the report of the Scrutinizer shall be, placed on the Company's website, displayed on the Notice Board of the Company at its Registered Office and simultaneously shall be communicated to the Stock Exchanges.

Place: Kolkata
Date: 25th August, 2020

**By Order of the Board of Directors
For Clarity Financial Services Limited
Sd/-**

**Varsha Agarwal
Company Secretary**



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BRIEF PROFILE OF THE DIRECTORS

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges following information is furnished in respect of Directors proposed to be appointed / reappointed.

Name of Director	Mrs. Bharti Gupta	Ms. Tamanna Gupta
DIN	06829341	07842312
Date of Birth	06.08.1968	12.06.1993
Date of Appointment on the Board	26.02.2014	06.07.2017
Qualifications	Graduate in Bachelor in Arts (H)	Graduate in Bachelor in Multimedia
Brief Resume & Expertise in specific functional areas	Mrs. Gupta is a graduate in BA Hons. and look after in the fund management of the Company.	Ms. Gupta is graduate in Bachelor in multimedia and has expertise in e-marketing of the Company.
Relation with other Directors or Key Managerial Personnel of the Company	Wife of Mr. Sanjay Gupta, Director of the Company	Daughter of Mr. Sanjay Gupta and Mrs. Bharti Gupta, Director of the Company
Other Directorship in Companies	Clarion Finance & Investment Co. Pvt. Ltd.	-
Memberships / Chairmanships of Committees of other Boards	-	-
Number of Equity Shares held in the Company	2,61,180	3,15,000

The Board commends Item no. 2 and 3 for consideration and approval of the shareholders.



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty Seventh Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the year ending March 31st, 2020.

1. FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

Particulars	FY 2019-20	FY 2018-19
Total Revenue	18137.94	17104.02
Profit / (Loss) before taxation	33.92	12.22
Less: Current Tax	8.90	4.89
Less: Deferred Tax	0.49	0.09
Less: Tax adjustments relating to earlier years	0.39	0.22
Profit / (Loss) after taxation	25.12	7.20
Balance brought forward from previous year	290.58	283.38

2. OVERVIEW OF COMPANY PERFORMANCE

The Company is a Full Fledged Money Changers (FFMC) Company, holds a licence from the Reserve Bank of India for engaging in the money changing business of sale and purchase of foreign currency notes, travel cards and traveller's cheques, which is renewed from time to time and the last renewal is valid till June 30, 2025. Over the last few years, the Company is focusing to improve its profit by providing quality services to their clients.

During the year under review, your Company has made a profit of Rs. 25.12 lakhs. Your Directors are identifying prospective areas and will make appropriate investments that will maximize the revenue of the Company in the Current Financial Year.

3. SHARE CAPITAL

The paid up Equity Share Capital as at March 31st, 2020 was Rs. 310.01 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

4. DIVIDEND

Your Directors do not recommend any dividend for the financial year 2019-20 under review, and has decided to retain the surplus with the Company for furthering the growth of the Company

5. TRANSFER TO RESERVE

The Company has not transferred any fund to reserves during the financial year 2019-20.



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6. IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS

On 25th March, 2020, the Government of India declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses, imposed restrictions on travel, etc. Therefore, the company being in the foreign exchange service, COVID-19 had a significant and huge impact on us. In the back drop of national lock-down declared by the Government of India, the Company's national as well as international operations are adversely affected. As a result of this, profitability of the Company has also been adversely affected. However, profitability impact in Financial Year ended 31st March 20 is minimal, as the lockdown was towards the end of March 2020, but there will be huge adverse impact on profitability in Financial Year 2020-21.

Due to adverse effect of this Covid-19 on foreign exchange industry, the sealing of international borders, the resultant travel restrictions imposed by most countries and the fear of catching the COVID-19 infection have severely impacted the foreign exchange industry, which is deeply integrated and works like an ancillary to foreign travel, hence there are no business operations in our sector.

It is hoped that normalcy will gradually return in about 3 to 4 months' time. Nevertheless, the pandemic and resultant economic restrictions will have a severe impact on the company's operations in the current year.

The business of the company has been affected due to Lockdown, but we are expecting further improvements as states and countries are continuously announcing relaxations and taking steps to improve trade and commerce. We are working on all the possible ways to cope up with the current scenario.

7. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

The business of the company has been affected due to Lockdown, but we are expecting further improvements as states and countries are continuously announcing relaxations and taking steps to improve trade and commerce. We are working on all the possible ways to cope up with the current scenario.

There have been no material changes and/or commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial relate.

8. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the company. Your Company continues to be one of the leading Full Fledged Money Changer Company.

9. SUBSIDIARY COMPANIES

The Company does not have any subsidiary, hence the compliance of provisions of section 129(3) of the Companies Act, 2013 are not applicable.



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10. TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid in previous year, the provisions of Section 125 of the Companies Act, 2013 is not applicable to the Company.

11. DEPOSIT

During the financial year under review, the company did not accept any deposit covered under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits] Rules, 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis forms part of this annual report and is annexed to this Report.

13. CORPORATE GOVERNANCE

In pursuance to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 the compliance of Regulation 27(2) is not mandatory for a Company having paid up of 10 Crore or Net-worth of 25 Crore, in the immediate preceding financial year and it is hereby informed that your Company during the preceding financial year neither has the paid-up capital nor the Net-worth of Rs. 10 crore and Rs. 25 crore respectively. Thus the Compliance of Regulation 27(2) of the SEBI (LODR) Regulations, 2015 is not mandatory for the Company.

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Clarity Financial Services Limited, it is imperative that our Company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

14. AUDITORS

STATUTORY AUDITORS

Pursuant to Section 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Sajjan Sultania, Partner in M/s. Sultania & Co. (FRN: 327263E), Chartered Accountants, Kolkata be and are



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hereby appointed as the Statutory Auditors of the Company commencing from the conclusion of 27th Annual General Meeting till the conclusion of 32nd consecutive Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbursement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit.”

The Report given by M/s. Sajjan Sultania, Partner in M/s. Sultania & Co., Chartered Accountants, on the financial statements of the Company for the financial year 2019-20 forms part of this Annual Report. There is no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act.

INTERNAL AUDITORS

The Company has appointed M/s. S.R. Agarwal & Co. (FRN: 327658E) Chartered Accountant, as Internal Auditor of the Company for the Financial Year 2019-20 in accordance with Section 138 of the Act, read with the Companies (Accounts) Rules, 2014.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had appointed Ms. Nisha Nahata, Company Secretary in whole-time practice to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report forms part of this Report as **Annexure A**. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

Further, pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Annual Secretarial Compliance Report of the Company for the financial year 2019-20 form part of this Report as **Annexure B**.

15. CORPORATE SOCIAL RESPONSIBILITY

The Provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the company.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a mechanism for Director's and employee's to report their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company. The same is available on our website www.clarityforex.com.



Clarity Financial Services Limited

17. RISK MANAGEMENT

Risk Management has always been an integral part of the corporate strategy which complements the organizations capabilities with business opportunities, robust planning and execution. A key factor in sustainable value is the risk that the company is willing to take and its ability to manage them effectively In line with new regulatory requirements, the Company has framed a Risk Management Policy to identify the key risk areas, monitor and report compliance and effectiveness Appropriate actions pursuant to the Policy from time to time are taken to mitigate adverse impact of various Risks which may adversely affect the performance of the Company.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the company, Mrs. Bharti Gupta (DIN 06829341), and Ms. Tamanna Gupta (DIN 07842312) Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment. The Board recommends his re-appointment for the consideration of the Members at the ensuing Annual General Meeting of the Company.

During the year under review, the following changes took place in the Board of Directors:

- a. Ms. Vrinda Ganeriwala (DIN 07495135) has been appointed as Independent Director of the Company for the terms of 5 years w.e.f 4th day of June, 2019.
- b. Ms. Gursharan Kaur Batra (DIN 08469857) has been appointed as Independent Director of the Company for the terms of 5 years w.e.f 4th day of June, 2019.
- c. Mr. Mohammad Masheer Zia (DIN 08469054) has been appointed as Independent Director of the Company for the terms of 5 years w.e.f 4th day of June, 2019.
- d. Mr. Sanjay Gupta (DIN: 01383122) has been reappointed as Managing Director of the Company for the terms of 5 years w.e.f 25th day of September, 2020.

During the year under review, the following changes took place in the Board of Directors and key managerial personnel:

- a. Mr. Archit Gupta (PAN: CJLPG3275M) has been appointed as Chief Financial Officer of the Company w.e.f 4th day of June, 2019
- b. Ms. Varsha Agarwal (PAN: AOHPA3581K) has been appointed as Company Secretary cum Compliance Officer of the Company w.e.f 4th day of June, 2019.

A Certificate of Non-Disqualification of Directors, pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 obtained from Ms., Nisha Nahata, Practicing Company Secretary has been annexed as Annexure C of this report



Clarity Financial Services Limited

Composition of the Board of Directors as on the date of 30th May, 2020 is mentioned below

Name of the Director	Designation	Category
Sanjay Gupta	Managing Director	Executive
Bharti Gupta	Director	Executive
Tamanna Gupta	Director	Executive
Vrinda Ganeriwala	Independent Director	Non-Executive
Gursharan Kaur Batra	Independent Director	Non-Executive
Mohammad Masheer Zia	Independent Director	Non-Executive

19. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in Form MGT - 9 in compliance with Section 92 of the Companies Act, 2013 read with applicable Rules made thereunder is annexed herewith as Annexed herewith as **Annexure - D**.

20. CODE OF CONDUCT

The Company's code of conduct is based on principle that business should be conducted in a professional manner with honesty and integrity and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs and dealings of the Company.

21. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board shall carry out the formal evaluation of performance of Director, KMP and Senior Management Personnel as well as the evaluation of the working of its Audit, Stakeholders Relation, Appointment & Remuneration Committees yearly or at such intervals as may be considered necessary.

22. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee (NRC) has adopted a terms of reference which, inter alia, deals with the manner of selection of Director and Key Managerial Personnel of the Company. The NRC recommends appointment of Director, Chief Executive Officer and Manager based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and rules framed there under. The NRC is responsible for identifying and recommending persons who are qualified to become directors or part of senior management of the Company. Remuneration Policy for the members of the Board and Executive Management has been framed, the said policies earmark the principles of remuneration and ensure a well-balanced and performance related compensation package taking into account shareholders' interest, industry practices and relevant corporate regulations in India.



Clarity Financial Services Limited

23. MEETINGS

During the year 7 (Seven) Board Meetings, 4 (Four) Audit Committee Meetings, 4 (Four) Nomination & Remuneration Committee Meetings and 4 (Four) Stakeholders' Relationship Committee Meetings were convened and held.

24. COMMITTEES OF BOARD

Pursuant to various requirements under the Act and the Listing Regulations, the Board of Directors has constituted various committees such as Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee.

The details of all the above committees along with composition, terms of reference, attendance at meetings and meetings held during the year, are as follows:

1. AUDIT COMMITTEE

In accordance with the provisions of the Companies Act, 2013, the Board has constituted the Audit Committee. The objective of the Audit committee is to assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirement.

a. **Terms of reference:**

The terms of reference of the Audit committee are as stated in Regulation 18 of Listing Regulations and Section 177 of the Companies Act, 2013 and more particularly include the following;

- Overseeing the Company's financial reporting process and the disclosure of its financial information.
- Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.

b. **Composition of Audit Committee:**

Name of Directors	Designation
Vrinda Ganeriwala	Chairman
Mohammad Masheer Zia	Member
Sanjay Gupta	Member

c. **Meeting during the year:**

During the year under review, the Audit Committee met on 30th May, 2019; 14th August, 2019; 13th November, 2019 and 14th February, 2020.



Clarity Financial Services Limited

2. NOMINATION AND REMUNERATION COMMITTEE :

The Company has in place a Nomination and Remuneration Committee in line with the provision of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation. The Committee comprises of two Independent Director and one Executive Director.

a. Terms of reference

The objective of the remuneration committee is to determine the Company's policy on executive remuneration. The role of the nomination and remuneration Committee is to decide remuneration packages of Managerial Personnel or Director's remuneration of the Company. No commission has been paid to any Director.

b. Composition of Nomination And Remuneration Committee:

Name of Directors	Designation
Gursharan Kaur Batra	Chairman
Vrinda Ganeriwala	Member
Mohammad Masheer Zia	Member

c. Meeting during the year:

During the year under review, the Nomination and Remuneration Committee met on 30th May, 2019; 14th August, 2019; 13th November, 2019 and 14th February, 2020.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has in place the Stakeholder Relationship Committee in line with the provision of Section 178(5) of the Companies At, 2013 and Regulation 20 of Listing Regulations. The committee has been assigned the work of redressal of Investors complaints on quarterly basis as per Clause 20 of Listing Regulations.

a. Terms of reference

Terms of Reference of the committee is to look into the redressing of shareholders requests/complaints like issue of duplicate share certificate, non-receipt of Annual Report, non-receipt of dividend etc. During the year under review, the Company has not received any complaints from the investors.

b. Composition of Stakeholders Relationship Committee:

Name of Directors	Designation
Vrinda Ganeriwala	Chairman
Gursharan Kaur Batra	Member
Mohammad Masheer Zia	Member

c. Meeting during the year:

During the year under review, theStakeholder Relationship Committee met on 30th May, 2019; 14th August, 2019; 13th November, 2019 and 14th February, 2020.



Clarity Financial Services Limited

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The Particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 are given in the notes to the Financial Statements provided in this Annual Report.

26. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Company has not entered into any contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, during the financial year under review.

27. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and the provision of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC2 in terms of Section 131 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel.

The Company has formulated a policy on dealing with Related Party transaction. The Policy is disclosed on its website www.clarityforex.com.

The details of related party disclosure under the relevant accounting standard form part of the notes to the financial statement provided in the annual report.

28. PARTICULARS OF EMPLOYEES

The Company have no employee drawing a remuneration beyond the limit in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

29. DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARRASMENT OF WOMEN AT WORKPALCE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013.

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of complaints. There were no complaints received during the financial year.

30 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions



Clarity Financial Services Limited

thereon are presented to the Audit Committee of the Board and to maintain its objectivity and independence, the Audit Committee reports to the Chairman of the Audit Committee and & to the Board Chairman & Managing Director.

31. 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:

- a. In the preparation of the annual accounts for the year ended March 31st, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. 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 the year;
- c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. They have prepared the annual accounts on a going concern basis;
- e. They have laid down internal financial controls to be followed by the company that are adequate and were operating effectively.
- f. They have devised proper systems to ensure compliance with the provisions of the applicable laws and these are adequate and are operating effectively.

32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The provisions of Section 134(3)(m) of the Companies Act, 2013, regarding conservation of energy and technology absorption, are not applicable.

Further there were no foreign exchange inflow or outgo during the period under review.

33. ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean & safe environment. Since your company is a Full-fledged Money Changer Company so the question of environment pollution does not arise.

However, the company ensures safety of all concerned, compliances environmental regulations and prevention of natural resources.

34. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATION

There were no significant and material order passed by the Regulators or Courts or Tribunal during the year impacting the going concern status and the operations of the Company in future.



Clarity Financial Services Limited

35. LISTING WITH STOCK EXCHANGE

The Company confirms that it has not defaulted in paying the Annual Listing Fees for the financial year 2020-21 to The Calcutta Stock Exchange Ltd. (CSE) .

36. SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the relevant provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

37. ACKNOWLEDGEMENT

Your Directors wishes to place on record their sincere appreciation to employee at all level for their hard work, dedication and commitment towards Company's operations and performance. Your Directors also wish to place on record their gratitude for the valuable assistance and co-operation extended to the Company by the Central Government, State Governments, banks, institutions, investors and customers.

For and on behalf of the Board

Date: 25th August, 2020
Place: Kolkata

Sd/-
Sanjay Gupta
Managing Director
DIN: 01383122

Sd/-
Tamanna Gupta
Director
DIN: 07842312



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the Management Discussion and Analysis Report for the year ended 31st March, 2020.

DESCRIPTION OF OUR BUSINESS AND OPERATIONS

Clarity Financial Services Limited was established under the Companies Act, 1956 on 22nd April, 1993 having its registered office in the State of West Bengal.

The Company is prominently engaged in foreign exchange service. It is working actively to provide benefits to the service industry. Gradually, the Company has expanded its business domain and focusing on newer horizons to increase the market area. Company has 2 branches located at Kolkata and Siliguri. We deal with bank, AD-1, other FFMCS corporate as well as retail customers.

The Company took immediate steps to handle this force majeure situation, some of which have been:

1. Keeping employee safety as the topmost priority, and so ensuring that all employees moved immediately to 'Work-from-Home' (WFH). All employees were advised to strictly follow lockdown guidelines of the Government;
2. Activating the Company's business continuity plans. As a result, BHFL continued operating under a WFH protocol. The situation is still evolving and it is not possible to hazard a guess on how this pandemic will evolve. On its part, our company will be focusing on capital preservation, balance sheet protection, conservative liquidity management, operating expenses management and strengthening collections.

OPPORTUNITIES AND THREATS

On March 11, 2020 the World Health Organization (WHO) officially declared COVID-19, the disease caused by a novel coronavirus, a pandemic. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures have been taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services. These measures have triggered significant disruptions to business worldwide, resulting in reduced economic activity. Due to adverse effect of this Covid-19 on foreign exchange industry, the sealing of international borders, the resultant travel restrictions imposed by most countries and the fear of catching the COVID-19 infection have severely impacted the foreign exchange industry, which is deeply integrated and works like an ancillary to foreign travel, hence there are no business operations in our sector. The Company closed all of its retail locations on or around March 24, 2020, re-opening around July, 2020. In addition, many of its commercial customers have been impacted by the pandemic, resulting in reduced demand for currency. While the Company continues to operate, it is not possible to reliably estimate the duration and severity of these consequences as well as their impact on the financial position and results of future periods.



Clarity Financial Services Limited

RISKS AND CONCERNS

Financial Risk

Financial Risk factors Outbreak of Infectious Diseases the Company's banknote business, which represents a significant portion of commission's revenue, is highly correlated to international travel patterns by consumers. The Company's business will be adversely affected by the effects of a widespread outbreak of respiratory illness caused by a novel coronavirus ("COVID-19") in its primary India market, as well as travel abroad to and from India that is curtailed due to such disease outbreaks. The Company cannot accurately predict the impact COVID-19 will have on its revenue and business undertaking, due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. As a result, the Company cannot be assured that measures it is taking, or may take in the future, for business continuity and cost containment will be effective as it is not possible to predict how the Company may be affected if such an epidemic persists for an extended period of time.

Credit Risk

Credit risk is the risk of financial loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash in bank accounts, accounts receivable and forward and option contracts from hedging counterparties. All banking relationships are negotiated by senior management. The Company maintains accounts in high quality financial institutions. At various times, the Company's bank balances exceed insured limits. The credit risk associated with accounts receivable is limited. The majority of the Company's receivables reside with banks, money service business customers and other financial institutions. The company has longstanding relationships with most of its money service business customers and has a strong repayment history

Foreign Currency Risk

The volatility of the Company's foreign currency holdings may increase as a result of the political and financial environment of the corresponding issuing country. Management believes its exposure to foreign currency fluctuations is mitigated by the short-term nature and rapid turnover of its foreign currency inventory, as well as the use in certain instances of forward and option contracts to offset these fluctuations. Due to their nature, some minor and exotic foreign currencies cannot be hedged or are too cost prohibitive to hedge. In order to mitigate the risks associated with holding these foreign currencies, the Company assigns wider bid/ask spreads and maintains specific inventory targets to minimize the impact of exchange rate fluctuations

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. Internal audit is carried out by an internal team to evaluate the adequacy of all internal controls and processes. All significant audit observations and follow-up actions thereon are reported to the Audit Committee. The Audit Committee comprises of three



Clarity Financial Services Limited

directors of which two are independent. The Audit committee reviews the internal audit reports and the adequacy and effectiveness of internal control.

CAUTIONARY STATEMENT

Some statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

Date: 25th August, 2020
Place: Kolkata

For and on behalf of the Board

Sd/-
Sanjay Gupta
Managing Director
DIN: 01383122

DECLARATION UNDER REGULATION 26(3) READ WITH SCHEDULE V PART D OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, Sanjay Kumar Gupta (DIN: 01383122), Managing Director of the Company declare that the all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2020.

Date: 25th August, 2020
Place: Kolkata

For and on behalf of the Board

Sd/-
Sanjay Gupta
Managing Director
DIN: 01383122



Clarity Financial Services Limited

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PS NISHA NAHATA
PRACTISING COMPANY SECRETARY

43, SHYAM NAGAR RD, NATURAL CITY , BL-D, 8A KOLKATA-55
Email - nahatanisha@yahoo.com

Annexure - A

**Form No. MR-3
Secretarial Audit Report**

For the financial year ended 31st March, 2020

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

To,
The Members
Clarity Financial Services Limited
29 Ganesh Chandra Avenue, 4th Floor
Kolkata 700 013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CLARITY FINANCIAL SERVICES LIMITED** ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2020 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 for the financial year ended on 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (**The Act**) and the Rules made there under;
- (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 there under;
- (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.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('**SEBI Act**')



Clarity Financial Services Limited

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable during the review period**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable during the review period**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the review period**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable during the review period** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable during the review period; **Not applicable during the review period.**

(vi) Employees' Provident Fund Act & Miscellaneous Provisions Act, 1952.

(vii) Professional Tax Act, 1979.

I also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting

Majority decision is carried through while the dissenting members, views were captured and recorded as part of the minutes.



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Clarity Financial Services Limited

We further report that as represented by the Company and relied upon by us 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.

We further report that during the Audit Period, the Company has not incurred any specific event/action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata

Date: 25th August, 2020

NISHA NAHATA

Practicing Company Secretaries

Sd/-

M No.: 26540

C.P. No.: 9624

UDIN NO-A026540B000734610

This report is to be read with our letter of even date which is annexed as **Annexure A.1** and forms an integral part of this report.



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'Annexure A.1'
(To the Secretarial Audit report of M/s. Clarity Financial Services Limited
For the financial year ended 31st March, 2020

To,
The Members
Clarity Financial Services Limited
29 Ganesh Chandra Avenue, 4th Floor
Kolkata 700 013

My 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. My responsibility is to express an opinion on these secretarial records based on my 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. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. 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.

Place: Kolkata
Date: 25th August, 2020

NISHA NAHATA
Practicing Company Secretaries
Sd/-
M No.: 26540
C.P. No.: 9624



SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH, 2020
[Pursuant to requirements of Regulation 24A of the Listing Regulation]

To,
The Members
Clarity Financial Services Limited
29 Ganesh Chandra Avenue, 4th Floor
Kolkata 700 013

I, Nisha Nahata, Practicing Company Secretary have examined:

- (a) all the documents and records made available to me and explanation provided by Clarity Financial Services Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing , as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 (“Review Period”) in respect of compliance with the provisions of:
 - a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable during the review period**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not applicable during the review period
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable during the review period

**Clarity Financial Services Limited**

- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable during the review period
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; Not applicable during the review period
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Depository and Participants) Regulations, 2018

and based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr.No	Compliance Requirement (Regulations/circulars /guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
None			

- b) Clarity Financial Services Limited, the entity do have paid up capital less than Rs. 10 crore and networth less than Rs. 25 crore and hence the compliance with corporate governance provisions as specified in SEBI (LODR) Regulations, 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27, and clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V is not applicable to the Company.
- c) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- d) The following are the details of actions taken against the listed entity / its promoters/ directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
None				



Clarity Financial Services Limited

The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary In the previous Reports	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

Place: Kolkata
Date: 25th August, 2020

NISHA NAHATA
Practicing Company Secretaries
Sd/-
M No.: 26540
C.P. No.: 9624
UDIN NO-A026540B000734621



Clarity Financial Services Limited

Annual Report 2019-20

PS NISHA NAHATA

PRACTISING COMPANY SECRETARY

43, SHYAM NAGAR RD, NATURAL CITY, BL-D, 8A KOLKATA-55

Email - nahatanisha@yahoo.com

Annexure C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Clarity Financial Services Limited
29 Ganesh Chandra Avenue, 4th Floor
Kolkata 700 013

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Clarity Financial Services Limited** having CIN L65999WB1993PLC058631 having registered office at 29, Ganesh Chandra Office, 4th Floor, Kolkata- 700 013(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority for the Financial Year ending on 31st March, 2020.

Further, ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: 25th August, 2020

NISHA NAHATA
Practicing Company Secretaries
Sd/-
M No.: 26540
C.P. No.: 9624
UDIN NO-A026540B000734621

**Clarity Financial Services Limited**

Annexure - D

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March 2020**[Pursuant to section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN:	L65999WB1993PLC058631	
ii.	Registration Date	22/04/1993	
iii.	Name of the Company	CLARITY FINANCIAL SERVICES LIMITED	
iv.	Category / Sub-Category of the Company	Public Company/Limited By Shares	
v.	Address of the Registered office and contact details	29, Ganesh Chandra Avenue, 4 th Floor Kolkata – 700 013 (T): 033 – 4001 7379 (E): support@clarityforex.com Website: www.clarityforex.com	
vi.	Whether listed company	Yes <input type="checkbox"/>	No <input type="checkbox"/>
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. R & D Infotech Private Limited 7A, Beltala Road, Kolkata – 700 026 (T): 033 – 2419 2641 (F): 033 – 2474 1657 (E): rd.infotech@vsnl.netrdinfotech@yahoo.com	

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: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Foreign Exchange Services	9971592	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name & Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NA					



Clarity Financial Services Limited

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) Indian									
a) Individual/HUF	8,35,790	0	8,35,790	26.96	8,35,790	0	8,35,790	26.96	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	30,000	50,000	80,000	2.58	99,000	0	99,000	3.19	0.61
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	8,65,790	50,000	9,15,790	29.54	9,34,790	0	9,34,790	30.15	0.61
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks /FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	8,65,790	50,000	9,15,790	29.54	9,34,790	0	9,34,790	30.15	0.61
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	2,00,000	2,00,000	6.45	0	2,00,000	2,00,000	6.45	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(S)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corp.									



Clarity Financial Services Limited

i. Indian	5,000	1,97,400	2,02,400	6.53	5,000	1,97,400	2,02,400	6.53	0
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	42,198	14,13,412	14,55,610	46.95	23,198	14,13,412	14,36,610	46.34	(0.61)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	92,900	92,900	3.00	0	92,900	92,900	3.00	0
c) Others									
NRI's	0	1,33,900	1,33,900	4.32	0	1,33,900	1,33,900	4.32	0
Foreign Company	0	99,500	99,500	3.21	0	99,500	99,500	3.21	0
Sub-Total (B)(2)	47,198	19,37,112	19,84,310	64.01	28,198	19,37,112	19,65,310	63.40	(0.61)
Total Public Shareholding (B)=(B)(1)+(B)(2)	47,198	21,37,112	21,84,310	70.46	28,198	21,37,112	21,65,310	69.85	(0.61)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	9,12,988	21,87,112	31,00,100	100.00	9,62,988	21,37,112	31,00,100	100	(0.61)

ii. Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year, 01.04.2019			Shareholding at the end of the year, 31.03.2020			% change in shareholding 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	Sanjay Gupta	2,59,610	8.37	-	2,59,610	8.37	-	0.00
2	Bharti Gupta	2,61,180	8.42	-	2,61,180	8.42	-	0.00
3	Tamanna Gupta	3,15,000	10.16	-	3,15,000	10.16	-	0.00
4	Clarion Finance & Investment Co. Pvt. Ltd.	80,000	2.58	-	99,000	3.19	-	0.61



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iii. Change in Promoters' Shareholding (Please Specify, If there is No Change)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year, 01.04.2019		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares			No. of shares	% of total shares of the company	No. of shares	% of total shares
1.	Sanjay Gupta	2,59,610	8.37	-	-	-	-	2,59,610	8.37
2.	Bharti Gupta	2,61,180	8.42	-	-	-	-	2,61,180	8.42
3.	Tamanna Gupta	3,15,000	10.16	-	-	-	-	3,15,000	10.16
4.	Clarion Finance & Investment Co. Pvt. Ltd.	80,000	2.58	17.06.2019 (10,000) 22.07.2019 (9,000)	Transfer	19,000	0.61	99,000	2.58

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	CRB Trustee Ltd. A/C. CRB Mutual Fund				
	On 01.04.2019	200000	6.45	-	-
	Increase / (Decrease) in Shareholding during the year	No Change			
	On 31.03.2020	-	-	200000	6.45
2.	Pradeep R Lodha				
	On 01.04.2019	133900	4.32	-	-
	Increase / (Decrease) in Shareholding during the year	No Change			
	On 31.03.2020	-	-	133900	4.32
3.	Shree Securities Ltd				
	On 01.04.2019	99600	3.21	-	-
	Increase / (Decrease) in Shareholding during the year	No Change			
	On 31.03.2020	-	-	99600	3.21



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4	Surewin Ltd			
	On 01.04.2019	99500	3.21	-
	Increase / (Decrease) in Shareholding during the year	No Change		
	On 31.03.2020	-	-	99500
5	Daiwa Securities Ltd			
	On 01.04.2019	45000	1.45	-
	Increase / (Decrease) in Shareholding during the year	No Change		
	On 31.03.2020	-	-	45000
6	Arpita Dutta			
	On 01.04.2019	0	0	46,200
	Increase / (Decrease) in Shareholding during the year	Increase in shareholding		
	On 31.03.2020			46,200
7	Daiwa Global Finance Limited			
	On 01.04.2019	35000	1.13	-
	Increase / (Decrease) in Shareholding during the year	No Change		
	On 31.03.2020	-	-	35000
8	Debabrata Bose			
	On 01.04.2019	25000	0.81	-
	Increase / (Decrease) in Shareholding during the year	No Change		
	On 31.03.2020	-	-	25000
9	Santosh Kumar Jain			
	On 01.04.2019	22900	0.74	-
	Increase / (Decrease) in Shareholding during the year	No Change		
	On 31.03.2020	-	-	22900
10	Sheokumar Agarwal			
	On 01.04.2019	22900	0.74	-
	Increase / (Decrease) in Shareholding during the year	No Change		
	On 31.03.2020	-	-	22900

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year, 01.04.2019		Increase/Decrease in shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares of the company	No. of shares	% of total shares
1.	Sanjay Gupta	2,59,610	8.37	-	-	2,59,610	8.37



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2.	Bharti Gupta	2,61,180	8.42	-	-	2,61,180	8.42
3.	Tamanna Gupta	3,15,000	10.16	-	-	3,15,000	10.16

V. INDEBTEDNESS:

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

Rs. In Lakhs

Particulars	Secured loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-			
Indebtedness at the End of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs.

Sr. No.	Particulars of Remuneration	Sanjay Gupta	Bharti Gupta	Tamanna Gupta	Total Amount
		Managing Director	Director	Director	
1.					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10,80,000	10,80,000	9,60,000	32,20,000
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Options	0	0	0	0



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3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0
	- As % of Profit	0	0	0	0
	- Others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total (A)	10,80,000	10,80,000	9,60,000	32,20,000

B. REMUNERATION TO OTHER DIRECTORS:

Rs.

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (1)	-	-
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (2)	-	-
	Total (B)= (1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

Rs.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,40,830*	2,50,000*	5,90,830
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- As % of Profit	-	-	-	-
	- Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	3,40,830	2,50,000	5,90,830



Clarity Financial Services Limited

* Ms. Varsha Agarwal (Company Secretary) and Mr. Archit Gupta (Chief Financial Officer) were appointed on 4th June, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/CO URT]	Appeal made, if any give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Date: 25th August, 2020

Place: Kolkata

For and on behalf of the Board

Sd/-
Sanjay Gupta
Managing Director
DIN: 01383122

Sd/-
Tamanna Gupta
Director
DIN: 07842312



Clarity Financial Services Limited

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SULTANIA & CO.

CHARTERED ACCOUNTANTS,

14/3, Chattawala Gully, 1st Floor, Kolkata 700 012

Ph: 3985-0015, Telefax: 2236-8983

E-mail: sundeepsultania@gmail.com

INDEPENDENT AUDITOR'S REPORT

To The Members of CLARITY FINANCIAL SERVICES LIMITED

Report on the Financial Statements:

Opinion:

We have audited the accompanying financial statements of **CLARITY FINANCIAL SERVICES LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statements of Cash Flows For the year ended on that date 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 according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss and 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 Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion.



Clarity Financial Services Limited

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.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Management's responsibility for the 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 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 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) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, 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.



Clarity Financial Services Limited

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

Auditor's Responsibility for the Audit of the Financial Statements:

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

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

- 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.
- 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.



Clarity Financial Services Limited

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India issued in terms of sub-section (11) of section 143 of the Companies Act, 2013 , we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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.

The Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of accounts and returns.

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.

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.



Clarity Financial Services Limited

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".

With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

With respect to the other matters to be included in the Auditors 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:

The Company does not have any pending litigations which would impact its financial position.

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For, **SULTANIA & CO.**
Chartered Accountants
Firm Regn. No.: 327263E

Sd/-
(CA S.K. Sultania)
(Partner)
Membership Number: 016802
UDIN: 20016802AAAAAM7322
Place: Kolkata
Dated: 25th August, 2020



SULTANIA & CO.

CHARTERED ACCOUNTANTS,
14/3, Chattawala Gully, 1st Floor, Kolkata 700 012
Ph: 3985-0015, Telefax: 2236-8983
E-mail: sundeepsultania@gmail.com

ANNEXURE "A" TO THE INDEPENDENT AUDITORS'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the members of M/S CLARITY FINANCIAL SERVICES LIMITED on the accounts of the company for the year ended 31st March, 2020)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) (a) As explained to us, the management has conducted the physical verification of inventory at reasonable intervals.

(b) In our opinion and according to the information and explanation 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.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.



Clarity Financial Services Limited

- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



Clarity Financial Services Limited

- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) All the transactions entered with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 whenever applicable and the details of the same have been disclosed in the Financial Statement etc., as required by the applicable accounting standard.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- 16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, **SULTANIA & CO.**
Chartered Accountants
Firm Regn. No.: 327263E

Sd/-
(CA S.K. Sultania)
(Partner)
Membership Number: 016802
UDIN: 20016802AAAAAM7322

Place: Kolkata
Dated: 25th August, 2020



Clarity Financial Services Limited

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE

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

(Referred to in paragraph 2 (f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date)

To the members of Clarity Financial Services Limited,

We have audited the Internal financial controls over financial reporting of Clarity Financial Services Limited ("the Company") as of **March 31, 2020** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Emphasis of Matter

As described in Emphasis of Matter paragraph of our report to the financial statements, the extent to which the COVID - 19 pandemic will have impact on the Company's internal financial controls with reference to financial statements is dependent on future developments, which are highly uncertain

Our opinion is not modified in respect of this matter.

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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion of the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on



Clarity Financial Services Limited

Audit of Internal financial Controls Over financial Reporting (the “Guidance Note”) and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of Internal financial controls, both applicable to an audit of Internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud and 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 details, 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 receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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



Clarity Financial Services Limited

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

For, **SULTANIA & CO.**
Chartered Accountants
Firm Regn. No.: 327263E

Sd/-
(CA S.K. Sultania)
(Partner)
Membership Number: 016802
UDIN: 20016802AAAAAM7322

Place: Kolkata
Dated: 25th August, 2020



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Clarity Financial Services Limited

CLARITY FINANCIAL SERVICES LIMITED

CIN: L65999WB1993PLC058631

Balance Sheet as at 31st March, 2020

Particulars		Note No.	As at 31st March, 2020	As at 31st March, 2019
A	EQUITY AND LIABILITIES			
	Shareholders' funds			
	Share capital	2	31,001,000	31,001,000
	Reserves and surplus	3	31,537,738	29,058,299
			62,538,738	60,059,299
	Non-current liabilities			
	Deferred tax liabilities (net)		683,301	732,193
			683,301	732,193
	Current liabilities			
	Trade Payables	4	7,976,406	15,304,154
	Other Current Liabilities	5	1,487,452	1,146,807
	Short-Term Provisions	6	890,600	489,279
			10,354,458	16,940,240
	TOTAL		73,576,497	77,731,732
B	ASSETS			
	Non-current assets			
	Fixed assets			
	- Tangible assets	7	1,112,885	1,359,240
	Long Term Loans & Advances	8	392,120	583,120
	Non Current Investment	9	20,591,329	21,148,795
			22,096,334	23,091,155
	Current assets			
	Inventories	10	27,750,134	21,418,766
	Trade receivables	11	3,092,669	797,529
	Cash and cash equivalents	12	19,532,588	31,544,775
	Short-term loans and advances	13	1,104,771	879,507
			51,480,162	54,640,577
	TOTAL		73,576,497	77,731,732
	Significant Accounting Policies & Notes on financial statements	1-25		

In terms of our report attached.

For and on behalf of the Board

For Sultania & Co.
Chartered Accountants

Sd /-
S K SULTANIA
Partner
M No.- 16802
Firm Registration No. 327263E
UDIN :20016802AAAAAM7322

Place : Kolkata
Date : 25th Aug., 2020

Sd /-
(Sanjay Gupta)
Director
DIN:01383122

Sd /-
(Tamanna Gupta)
Director
DIN:07842312

Sd /-
(Bharti Gupta)
Director
DIN:06829341



Clarity Financial Services Limited

CLARITY FINANCIAL SERVICES LIMITED			
Statement Of Profit & Loss Account For The Year Ended 31st March, 2020			
Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I. Revenue from Operations	14	1,813,793,591	1,710,402,440
II. Other Income	15	1,773,357	1,017,208
III. Total Revenue (I+II)		1,815,566,948	1,711,419,648
IV. EXPENSES			
Purchases of Stock in Trade	16	1,803,536,138	1,695,781,244
Changes in Inventories of Finished Goods-			
- Work in Progress and Stock in Trade	17	(6,331,368)	(3,643,795)
Employee Benefit Expenses	18	9,133,131	10,386,370
Finance Cost	19	6,412	49,959
Depreciation and Amortisation Expenses	7	472,030	315,184
Other Expenses	20	5,358,575	7,308,306
Total Expenditure		1,812,174,918	1,710,197,268
V. Profit/(Loss) Before Tax (III-IV)		3,392,030	1,222,380
VI. Tax Expense			
- Current Tax		890,600	489,279
- Deferred Tax		-48,892	(8,511)
- Tax Adjustment Relating to Earlier Years		38,790	21,805
		880,498	502,573
VII. Profit/(Loss) After Tax (V-VI)		2,511,532	719,807
VIII. Earnings Per Share - Nominal Value of Share ` 10/- each fully paid-up			
Basic (`)		0.81	0.23
Diluted (`)		0.81	0.23
Significant Accounting Policies and Notes on Financial Statement	1-25		
Notes referred to above form an integral part of financial Statements.			
As per our Report of even date attached.		For and on behalf of the Board	
For Sultania & Co.		Sd /-	
Chartered Accountants		(Sanjay Gupta)	
Sd /-		Director	
S K SULTANIA		DIN:01383122	
Partner		Sd /-	
M No.- 16802		(Tamanna Gupta)	
Firm Registration No. 327263E		Director	
UDIN :20016802AAAAM7322		DIN:07842312	
Sd /-		Sd /-	
Place : Kolkata		(Bharti Gupta)	
Date : 25th Aug., 2020		Director	
		DIN:06829341	



Clarity Financial Services Limited

CLARITY FINANCIAL SERVICES LIMITED					
CASH FLOW STATEMENT					
For the year ended 31st March 2020.					
	2019-20		2018-19		
	Amount `	Amount `	Amount `	Amount `	
A. CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit/(Loss) before Tax	3,392,030		1,222,380		
Adjustment for :-					
Depreciation	472,030		315,184		
Profit on Sales of Fixed Assets	-		-		
Profit On Sales of Investment	(248,289)		(92,817)		
Interest Received	(1,227,794)		(783,484)		
Dividend Received	(297,274)		(140,907)		
Cash from operation before working capital changes	2,090,703		520,356		
Adjustment for :-					
(Increase) / Decrease in Inventories	(6,331,368)		(3,643,795)		
(Increase) / Decrease Trade Receivable	(2,295,140)		(147,529)		
(Increase) / Decrease in Long Term Loans & Advances	191,000		(6,600)		
(Increase) / Decrease in Short Term Loans & Advances	(225,264)		2,236,178		
(Increase) / Decrease in Other Current Assets	-		-		
Increase / (Decrease) Other Current Liabilities	340,645		150,598		
Increase / (Decrease) in Trade Payables	(7,327,750)		(4,288,056)		
Cash Utilised in Operating Activities	(13,557,174)		(5,178,848)		
(-) Taxes Paid	528,069		919,038		
Net Cash Flow from Operating Activities		(14,085,243)		(6,097,886)	
B. CASH FLOW FROM INVESTING ACTIVITIES					
Interest Received	1,227,794		783,484		
Dividend Received	297,274		140,907		
Decrease/(Increase) in Investment	805,755		1,410,064		
Purchase of Fixed Assets	(257,766)		(58,408)		
Net Cash Flow from Investing Activities		2,073,056		2,276,047	
C. CASH FLOW FROM FINANCING ACTIVITIES					
Increase / (Decrease) in Long Term Borrowings	-		-		
Increase / (Decrease) in short Term Borrowings	-		-		
Proceeds from issued of Share Capital	-		-		
Net Cash Flow from Financing Activities		-		-	
Net Cash & Cash Equivalent generated during year (A+B+C)		(12,012,187)		(3,821,839)	
Opening Cash and Cash Equivalents		31,544,775		35,366,613	
Closing Cash & Cash Equivalents		19,532,588		31,544,775	

AUDITORS CERTIFICATE

We have verified the attached Cash Flow Statement of Clarity Financial Services Ltd. for the year ended 31st March, 2020. 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.

For Sultania & Co.
Chartered Accountants

Sd /-
S K SULTANIA
Partner
M No.- 16802
Firm Registration No. 327263E
UDIN :20016802AAAAAM7322

Place : Kolkata
Date : 25th Aug., 2020

For and on behalf of the Board

Sd /- (Sanjay Gupta) Director DIN:01383122	Sd /- (Tamanna Gupta) Director DIN:07842312	Sd /- (Bharti Gupta) Director DIN:06829341
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**Clarity Financial Services Limited****CLARITY FINANCIAL SERVICES LIMITED**

Notes on Financial Statements for the year ended 31st March 2020.

Note No 1

Particulars	
SIGNIFICANT ACCOUNTING POLICIES	
a) ACCOUNTING CONCEPTS 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).	
b) TANGIBLE ASSETS Tangible Assets are stated at cost less accumulated depreciation, Cost includes freight, duties, taxes, and other incidental expenses.	
c) DEPRECIATION/AMORTISATION 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.	
d) IMPAIRMENT OF ASSETS 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.	
e) INVENTORIES Stock of Foreign Currencies is stated lower of cost or Market Price.	
f) INVESTMENTS Investment have been stated at cost.	
g) PROVISIONS AND CONTINGENCIES 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.	
h) REVENUE RECOGNITION Revenue from Sales of goods is recognised upon passage of title to the customers. Interest and other income are recognised on accrual basis.	
i) INCOME TAXES Provision for Taxation(current taxation) has been made as per Income Tax Act 1961.	
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 `6,83,301 /- (as on 31/03/2019 ` 7,32,193/-). As a measure of prudence and as recommended by AS 22, the same has been recognised in the accounts.	
Composition of deferred tax liability (net)	
Deferred Tax Liability as on 31.03.2019.	732,193
Less: Deferred Tax Assets for the year	<u>(48,892)</u>
Deferred Tax Liability as on 31.03.2020.	<u><u>683,301</u></u>



Clarity Financial Services Limited

CLARITY FINANCIAL SERVICES LIMITED

Notes on Financial Statements for the year ended 31st March 2020.

j)	Contingent Liability Contingent liabilities not provided for in respect of:- (i) 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/-) (ii) Bank Guarantee given to Thomas Cook for stocking Thomas Cook Travellers Card : Rs. NIL/- (P.Y. Rs. 25,00,000/-)
k)	Provision has been made by the company amounting to Rs. 1,40,625/- in respect of Gratuity payable to eligible
l)	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.
m)	The management has certified that the company has not received any intimation 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.
n)	<u>Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):</u> The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organisation with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020, announced by the Indian Government, to stem the spread of COVID-19. In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.



Clarity Financial Services Limited

CLARITY FINANCIAL SERVICES LIMITED					
Notes on Financial Statements for the year ended 31st March 2020					
Note No.	Particulars	FY 2019-20		FY 2018-19	
		Number of shares	Amount `	Number of shares	Amount `
2	SHARE CAPITAL				
A.	<u>Authorised</u> Equity shares of ` . 10 each.	5,000,000	50,000,000	5,000,000	50,000,000
B.	<u>Issued, Subscribed and Paid-up</u> Equity shares of ` . 10 each.	3,100,100	31,001,000	3,100,100	31,001,000
C.	<u>Reconciliation of number of shares outstanding</u>				
	Equity Shares at the beginning of the year	3,100,100	31,001,000	3,100,100	31,001,000
	Add: Shares issued during the year	-	-	-	-
	Equity Shares at the End of the year	3,100,100	31,001,000	3,100,100	31,001,000
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.	<u>The details of Shareholders holding more than 5% Equity Shares</u>	No of Equity Shares held	%age	No of Equity Shares held	%age
	CRB Trustee Ltd. A/C Crb Mutual Fund	200,000	6.45	200,000	6.45
	Sanjay Gupta	259,610	8.37	259,610	8.37
	Bharti Gupta	261,180	8.42	261,180	8.42
	Tamanna Gupta	315,000	10.16	315,000	10.16
3	<u>RESERVE AND SURPLUS</u>	FY 2019-20		FY 2018-19	
a.	Securities Premium Reserve	Amount `	Amount `	Amount `	Amount `
	As per Last Balance Sheet	-	-	-	-
	Add: During the year				
b.	Surplus				
	As per Last Financial Statement	29,058,299		28,338,492	
	Less: Adjusted during the year	32,092		-	
	Add: During the year	2,511,532	31,537,738	719,807	29,058,299
			31,537,738		29,058,299
Note No.	Particulars	FY 2019-20		FY 2018-19	
		Amount `		Amount `	
4	<u>TRADE PAYABLES</u>				
a.	Due to Micro, Small and Medium Enterprises			-	-
b.	Sundry Creditors for Goods			7,976,406	15,304,154
				7,976,406	15,304,154
5	<u>OTHER CURRENT LIABILITIES</u>				
	Sundry Creditors for Expenses			1,292,410	1,049,464
	<u>Other Liability</u>				
	- Employee PF Payable			72,912	26,628
	- Employee ESI Payable			9,628	4,235
	- GST payable			26,928	8,450
	- TDS Payable			85,574	58,030
				1,487,452	1,146,807
6	<u>SHORT TERM PROVISION</u>				
a.	Provision for Income Tax			890,600	489,279
				890,600	489,279



Clarity Financial Services Limited

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CLARITY FINANCIAL SERVICES LIMITED

NOTE NO: 7

TANGIBLE ASSETS :

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 01.04.19	ADDI- TION	DEDUC- TION	AS ON 31.03.20	AS ON 01.04.19	FOR THE YEAR	ADJUST- MENT	AS ON 31.03.20	AS ON 31.03.19
Buildings	511,000	-	-	511,000	267,423	38,810		306,233	243,577
Car	849,647	-	-	849,647	110,617	230,832		341,449	739,030
Furniture & Fixture	1,036,527	-	-	1,036,527	958,689	6,675		965,364	77,838
Office Equip.	111,849	76,150	-	187,999	61,504	54,395		115,899	50,345
Camera	41,259	-	-	41,259	24,149	9,012		33,161	17,110
Note Counting Machine	29,770	6,299	-	36,069	24,176	4,384		28,560	5,594
Computer	421,315	46,694	-	468,009	329,849	74,759		404,608	91,466
Mobile	-	77,998	-	77,998	-	16,018		16,018	-
Air Conditioner	316,430	50,625	-	367,055	183,472	37,145	32,092	252,709	132,958
Generator	36,940	-	-	36,940	35,617	-		35,617	1,323
Grand Total	3,354,737	257,766	-	3,612,503	1,995,496	472,030	32,092	2,499,618	1,359,240
Previous Year	3,296,329	58,408	-	3,354,736	1,680,312	315,184	-	1,995,496	1,616,017

Note: There is no intangible assets hence not stated.



Clarity Financial Services Limited

CLARITY FINANCIAL SERVICES LIMITED				
Notes on Financial Statements for the year ended 31st March 2020				
Note No.	PARTICULARS	Note No.	FY 2019-20	FY 2018-19
			Amount `	Amount `
8	<u>LONG TERM LOANS & ADVANCES</u>			
	Security Deposit		620	620
	Security Deposit (Siliguri Office)		82,500	82,500
	Security Deposit (Electrotum Others)		25,000	-
	Security Deposit for Office Rent - Karl Marx Sarani		284,000	500,000
			392,120	583,120
9	<u>NON CURRENT INVESTMENT</u>			
	Investment in Equity Instrument(at cost)			
	Quoted		20,591,329	19,938,795
	Unquoted		-	1,210,000
			20,591,329	21,148,795
	<u>INVENTORIES</u>			
10	Trading Goods		27,750,134	21,418,766
			27,750,134	21,418,766
11	<u>TRADE RECEIVABLES</u>			
	Outstanding for a period exceeding six months from the date they are due for payment		-	-
	Others		3,092,669	797,529
	(Unsecured, considered Good)			
			3,092,669	797,529
12	<u>CASH AND CASH EQUIVALENTS</u>			
	Cash in hand		112,725	3,730,409
	<u>Balances with Scheduled Bank</u>			
	in Current Account		2,115,320	15,942,959
	In Fixed Deposits with Bank		17,304,543	11,871,407
			19,532,588	31,544,775
13	<u>SHORT TERM LOANS AND ADVANCES</u>			
	Staff Advance		494,500	350,000
	SGST Input		3,941	-
	Standard Chartered Credit Card(Sanjay Gupta)		(19,581)	12,963
	Incentive Receivable		33,365	23,424
	Clarion Finance and Investment Pvt Ltd		890	-
	Finnew Solutions Pvt Ltd		1,317	-
	Pre-Paid Expenses		3,200	-
	Income Tax Refundable(A.Y 2019-20)		3,841	-
	Advance Income Tax (This Year)		400,000	300,000
	Tax Deducted At Source -current year		183,298	193,120
			1,104,771	879,507
14	<u>REVENUE FROM OPERATIONS</u>			
	<u>Sales of Products</u>			
	Trading Goods			
	- Foreign Currencies Money Changing Sales		1,372,655,498	973,482,369
	- Money Changing Sales Tc		8,550,560	9,908,895
	- Sales Vtm A/C		334,692,229	587,051,907
	- Surrender Tc A/C		4,146,228	802,847
	- Surrender Vtm A/C		92,188,412	136,651,346
	- Service Charges		337,725	483,061
	- Commission Received (W.U.)		9,488	14,969
	- Commission from Money Gram		464	1,923
	- Other Commission		988	1,100
	- Thomas Card Incentive Received		775,768	19,386
	- Axis Bank Tcdc Incentives		214,576	1,949,211
	- Electrum Incentive Received		4,829	-
	- Finnew Incentive Received		1,307	-
	- Other Incentive		11,704	-
	- Multimoney Incentive		203,815	35,425
			1,813,793,591	1,710,402,439



Clarity Financial Services Limited

CLARITY FINANCIAL SERVICES LIMITED			
Note No	PARTICULARS	<u>FY 2019-20</u>	<u>FY 2018-19</u>
15	<u>OTHER INCOME</u>		
	- Dividend Received	297,274	140,907
	- Profit/Loss On Sale Of Investment short term	-	11,388
	- Profit on Sale of Investmet (Long Term)	248,289	81,429
	- Interest On Fixed Deposit	1,227,794	783,484
		1,773,357	1,017,208
16	<u>PURCHASE OF STOCK IN TRADE</u>		
	Purchases		
	- Encashment Cn A/C	1,372,065,513	968,120,041
	- Encashment Tc A/C	4,127,674	791,970
	- Purchase Vtm A/C	91,024,627	131,952,394
	- Settlement TC A/c	8,258,733	9,635,889
	- Settlement VTM A/c	327,742,401	584,894,856
	- Unsettled Tc A/C	-	209,700
	- Unsettled Vtm A/C	317,190	176,394
		1,803,536,138	1,695,781,244
17	<u>CHANGE IN INVENTORY</u>		
	<u>Closing Stock</u>		
	Trading Goods	27,750,134	21,418,766
	Sub Total	27,750,134	21,418,766
	<u>Opening Stock</u>		
	Trading Goods	21,418,766	17,774,971
	Sub Total	21,418,766	17,774,971
	Net (Increase)/Decrease in Inventory	(6,331,368)	(3,643,795)
18	<u>EMPLOYEE BENEFIT EXPENSES</u>		
	Salaries, Bonus & Wages	8,441,086	9,780,390
	Contribution to Employees Fund	692,045	605,980
		9,133,131	10,386,370
19	<u>FINANCE COST</u>		
	Interest Expenses	6,412	49,959
		6,412	49,959
20	<u>OTHER EXPENSES</u>		
	Rent	999,000	816,000
	Payment to Auditors		
	- Audit Fees	40,000	35,000
	- Tax Audit Fees	25,000	21,000
	Bank Charges	54,772	86,078
	Bad Debts	82,500	1,500,000
	Brokerage	1,304,946	1,533,803
	Business Promotion Expenses	101,934	56,877
	Telephone Expenses	153,004	195,791
	Conveyance	254,294	670,602
	Insurance Charges	33,326	39,188
	Miscellaneous Expenses	2,309,799	2,353,967
		5,358,575	7,308,306
21	<u>Payment to Auditors</u>		
	- Audit Fees	40,000	35,000
	- Tax Audit Fees	25,000	21,000
	- Certification and Other Fees	-	-
		65,000	56,000



Clarity Financial Services Limited

CLARITY FINANCIAL SERVICES LIMITED			
22	Related Party Disclosure		
a)	Related Party and transactions with them as specified in the Accounting Standard 18 on " Related Parties disclosures" issued by ICAI has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.		
b)	Key Management Personnel and individuals owning directly or indirectly, an interest in the voting power that give them control or significant influence over the company and the relatives of such individuals.		
	Key Management Personnel	Relative of Key Management Personnel	
	i) Sanjay Gupta	No transactions with Relatives	
	ii) Bharti Gupta		
	iii) Tamanna Gupta		
c)	Enterprises over which Key Management Personnel are able to exercise significant influence:		
i)	Clarion Finance & Investment Co. Pvt. Ltd.	F.Yr 19-20 Amount in `	F.Yr 18-19 Amount in `
	1) Commission Paid	356,688	357,869
	2) Rent Paid	225,000	180,000
	Details of Transactions with above related parties.		
	Name of the Party	Nature of Transaction	F.Yr 19-20 Amount in `
			F.Yr 18-19 Amount in `
	Sanjay Gupta	Director Remuneration	1,080,000
	Ajay Gupta	Salary	-
	Tamanna Gupta	Director Remuneration	960,000
	Bharti Gupta	Director Remuneration	1,080,000
23	Earning Per Share		
	The earning per share has been specified in Accounting Standard 20 on " Earning per share" issued by ICAI, the related disclosures are as follows:-		
	Profit / (Loss) for the year (after taxation)	2,511,532	719,807
	Number of Equity Shares of `10/- each fully paid up	3,100,100	3,100,100
	Earning Per Share(Basic/Diluted)	0.81	0.23
24	CIF Value of Imports	Nil	Nil
25	Balance of Debtors, Creditors and advances are subject to confirmation and/or reconciliation.		
As per our Report of even date attached.		For and on behalf of the Board	
For Sultania & Co.		Sd /-	
Chartered Accountants		(Sanjay Gupta)	
		Director	
		DIN:01383122	
Sd /-		Sd /-	
S K SULTANIA		(Tamanna Gupta)	
Partner		Director	
M No.- 16802		DIN:07842312	
Firm Registration No. 327263E		Sd /-	
UDIN :20016802AAAAAM7322		(Bharti Gupta)	
Place : Kolkata		Director	
Date : 25th Aug., 2020		DIN:06829341	