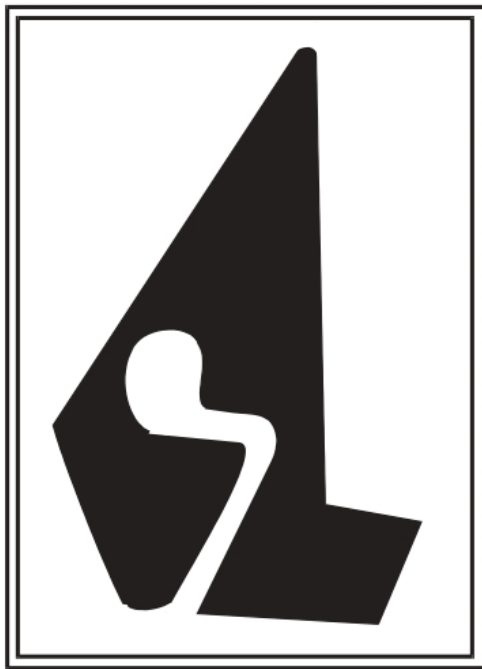


ARAVALI SECURITIES & FINANCE LIMITED



40TH ANNUAL REPORT 2019-2020



ARAVALI SECURITIES & FINANCE LIMITED

BOARD OF DIRECTORS

- 1. MR. RANJAN KUMAR PODDAR**
- 2. MR. DEVASHISH PODDAR**
- 3. MRS. MALVIKA PODDAR**
- 4. MR. NARESH BIRLA**
- 5. MR. SURESH KUMAR LAKHOTIA**
- 6. MR. RAKESH BHARTIA**

CHIEF FINANCIAL OFFICER

MR. SUSHIL KUMAR

COMPANY SECRETARY

MS. RUCHI SHRIVASTAVA

INTERNAL AUDITORS

V.K. KILA & CO., CHARTERED ACCOUNTANTS, NEW DELHI

STATUTORY AUDITORS

**RAJAN GOEL & ASSOCIATES, CHARTERED ACCOUNTANTS,
NEW DELHI**

BANKERS

PUNJAB NATIONAL BANK

REGISTERED OFFICE

**PLOT NO. 136, RIDER HOUSE, 4TH FLOOR, SECTOR-44,
GURGAON-122003**

SHARE & TRANSFER AGENT

**M/S. SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153/A, 1ST FLOOR, OKHLA INDUSTRIAL AREA, PHASE-1, NEW
DELHI-110020**



NOTICE

Notice is hereby given that the 40th Annual General Meeting ('AGM') of the members of Aravali Securities & Finance Limited will be held on Wednesday, the 30th day of September, 2020 at 11.00 a.m.(IST) through Video Conferencing (VC) /Other Audio Visual Means (OAVM) to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 including Balance Sheet & Statement of Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider and appoint a director in place of - Mrs. Malvika Poddar (DIN : 00457245), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To re-appoint Mr. Suresh Kumar Lakhota (DIN : 00450723) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 & all other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Listing Agreement(as amended from time to time), Mr. Suresh Kumar Lakhota (DIN : 00450723), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years for a term up to the conclusion of the 45th Annual General Meeting of the Company in the calendar year 2025”.

By Order of the Board of Directors

sd/-

(Ranjan Kumar Poddar)
Chairman & Managing Director
(DIN : 00290949)

Place: Gurgaon

Date: 25th August, 2020

Note: In view of the Guidelines issued by the stock exchanges for submission of the documents in the wake of CoVID-19 virus pandemic, this document is being submitted without signature of the aforesaid signatory i.e. with Sd/-.

ARAVALI SECURITIES & FINANCE LIMITED

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Phone : +91-124-4556677

CIN : L67120HR1980PLC039125 | Website: www.aravalisecurities.com | Email : info@aravalisecurities.com



NOTES

1. A Statement as required pursuant to Section 102 (1) of the Companies Act, 2013 is annexed hereto.
2. In view of continuing Covid – 19 pandemic the Ministry of Corporate Affairs (“MCA”) has vide it’s circular dated May 5, 2020 read with circular dated April 8, 2020 and April 13, 2020 (collectively referred to a “MCA circulars”) permitted the holding of the AGM through video conferencing (VC) / Other Audio- Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA circulars, the AGM of the company is being held through VC / OAVM.
3. Since the AGM is being held pursuant to the MCA circulars through VC / OAVM, physical attendance of members has been dispensed with. **Accordingly, the Facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization, etc authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the scrutinizer by email through its registered email address to companysecretary@aravalisecurities.com with a copy marked to evoting@nsdl.co.in.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 24th day of September, 2020 to Wednesday, the 30th day of September, 2020 (both days inclusive).
6. In Compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company or CDSL/NSDL (Depositories). Members may note that the Notice and Annual Report 2019 -20 will also be available on the company’s website www.aravalisecurities.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
8. Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN) mandates, nominations, power of attorney , bank details such as name of bank and branch details, bank account number, MICR Code, IFSC Code etc, to their Depository Participants, with whom they are maintaining Demat Accounts.
9. Members holding shares in physical form are requested to register / update their postal address, email address telephone/ mobile numbers, PAN, mandates, nominations, power of Attorney, bank details such as name of the bank and branch details, bank accounts number, MICR code, IFSC code, etc., with the Registrar and Transfer Agent i.e. MAS Services Limited by sending an email to [Skyline Financial Services Pvt. Ltd.](mailto:admin@skylinerta.com) at admin@skylinerta.com.
10. Non – Resident Indian members are requested to inform [Skyline Financial Services Pvt. Ltd.](mailto:admin@skylinerta.com) immediately on :
 - *The Change in the residential status on return to India for permanent settlement; and
 - *The particulars of the bank account(s) maintained in India with complete name branch, and account type, account number and address of the bank, if not furnished earlier.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
12. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice.
13. As mandated by SEBI , effective from April 1, 2019 that securities of listed Companies Shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and 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 Annual General Meeting.

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How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

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6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - 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, your PAN,your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.
15. Individual members holding shares in physical form on their own behalf singly or jointly can make nomination for their holding. The nomination form will be made available on request. The members holding shares in dematerialized form may contact their depository participants for recording of the nomination for their holding.
16. Members holding shares in the same name(s) under different folio(s) are requested to apply for consolidation of such folios by sending relevant share certificates.
17. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
18. The Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
19. **Voting through electronic means**
 - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Company (Management and Administration) Rules, 2014 (as amended) and Regulations 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended) and the circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of business to be transacted at the AGM. The Facility of casting votes by a member using remote e-voting system as well as venue voting on the date of AGM will be provided by NSDL.
 - II. The remote e-voting period begins on 27th September 2020 at 9.00 A.M. (IST) and ends on 29th September 2020 at 5.00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for e-voting thereafter. During this period, Members holding shares either in physical form or in dematerialised form, as on 23rd September 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - III. The Board of Directors has appointed Practicing Chartered Accountants or Company Secretaries as an scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
 - IV. The Member who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitle to cast their vote again.
 - V. The Voting right of Members shall be proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

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- VI. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com However, if he / she is already registered with NSDL for remote e-voting then he/she can use his/her for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.
- VII. *The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*
Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system. Details on Step 1 is mentioned below:

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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 Company at companysecretary@aravalisecurities.com & Scrutinizer by e-mail to Practicing Company Secretary or Chartered Accountant with a copy marked to evoting@nsdl.co.in.
2. 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.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.aravalisecurities.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

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- Information required to be furnished under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of directors seeking appointment / re-appointment:

Name of Director	Mrs. Malvika Poddar
Directors Identification Number	00457245
Date of Birth	13.07.1972
Date of Appointment	13.08.2014
Qualification	BBA from London
Expertise in specific functional area	Well experienced and possess expertise in the business.
Shareholding in Aravali Securities & Finance Ltd.	Nil
Directorship in other Companies	1. Motto Investment Private Limited 2. Remus India Private Limited 3. Carma Arts & Crafts Private Limited 4. Thomas Goode India Private Limited 5. Jahanluxury Exhibitions Private Limited
Committee position held in other Companies	Nil

Name of Director	Mr. Suresh Kumar Lakhotia
Date of Birth	25.02.1944
Date of Appointment	29.06.2015
Qualification	Graduation in Commerce
Expertise in specific functional area	Entrepreneurship qualities and vast experience in the accounting field
Directorship in other Companies	Amer Investments (Delhi) Limited
Committee position held in other Companies	NIL

Notes:

- The Directorships, Committee Memberships and Chairmanships do not include positions in foreign companies, unlisted companies and private companies, position as an advisory board member and position in companies under Section 8 of the Companies Act, 2013. Information pertaining to remuneration paid to the Directors who are being appointed/re-appointed and number of Board meetings attended by them during the year 2019-2020 is provided in the Corporate Governance Report.
- The proposal for appointment/re-appointment and revision in terms of remuneration of Directors has been approved by the Board pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee considering their skills, experience and knowledge and positive outcome of performance evaluation.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER :

- Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

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2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id)..
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

By Order of the Board of Directors
sd/-

(Ranjan Kumar Poddar)

Chairman & Managing Director

(DIN : 00290949)

Place: Gurgaon

Date: 25th August, 2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain Ordinary Businesses mentioned in the accompanying Notice:

Item No. 4

Mr. Suresh Kumar Lakhota (DIN 00450723) is an Independent Non-Executive Director of the Company. He joined the Board of Directors of the Company on 29/06/2015. Pursuant to the Act, Mr. Lakhota, was appointed as an Independent Non-Executive Director to hold office for five consecutive years by the Members of the Company in the 35th AGM held on, 2015. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Lakhota, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for a second term of five consecutive years upto 45th AGM of the Company in the year 2025.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Lakhota as an Independent Director and based on the recommendation of the Nomination and Remuneration Committee recommends the Special Resolution as set out at Item No. 4 of the Notice of the AGM for approval of the members.

Except Mr. Lakhota, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM.

By Order of the Board of Directors
sd/-

(Ranjan Kumar Poddar)

Chairman & Managing Director

(DIN : 00290949)

Place: Gurgaon

Date: 25th August, 2020

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BOARD'S REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 40th Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

FINANCIAL RESULTS

The Financial Performance for the year ended March 31, 2020 is summarized below:

PARTICULARS	(Rs. in lacs)	
	FOR THE YEAR ENDED 31/03/2020 (Audited)	FOR THE YEAR ENDED 31/03/2019 (Audited)
1 TOTAL REVENUE	597.92	269.32
2 TOTAL EXPENSES	162.21	632.77
3 PROFIT/(LOSS) BEFORE TAX	435.71	(363.45)
4 TAX EXPENSES		
Current Tax	63.99	4.36
Deffered Tax	5.18	12.58
MAT Credit Entitlement	(63.99)	-
5 PROFIT/(LOSS) AFTER TAX	430.53	(380.39)
6 Other Comprehensive Income (OCI)		
i Items that will not be reclassified to Profit or Loss	(0.32)	1.02
ii Income tax relating to items that will not be reclassified to Profit or Loss	0.05	0.16
Total Other Comprehensive Income (Net of Tax)	(0.37)	0.86
7 Total Comprehensive Income for the Period	430.16	(379.53)
8 EARNING PER SHARE (EPS)		
Basic & Diluted EPS (not annualised)	Rs 2.84	Rs (2.51)

COMPANY'S PERFORMANCE, STATE OF AFFAIRS AND CHANGE IN THE NATURE OF BUSINESS

Total Revenue for the year ended March 31, 2020 was at Rs. 597.92 Lakh. EBITDA & net profit after tax stood at Rs. 435.71 Lakh and Rs. 430.53 Lakh respectively.

The company ceased to be a Non Banking Financial Institution as the Registration Certificate of the Company under the Section 45 IA of the Reserve Bank of India Act, 1934 has been cancelled by the Reserve Bank of India vide letter dated 12th September 2018 since the Company failed to achieve the net owned fund of two hundred lakhs of rupees before 1st April 2017 in terms of the Revised Regulatory Framework for NBFCs read with Notification No DNBR.007/CGM(CDS)-2015 dated 27th March 2015. Consequently, the Company is no longer engaged in the business of a non banking finance company.

Your company is currently engaged in providing Financial and Other Advisory Services besides dealing in shares and securities. However your board is in constant look out for the new business avenues which can be taken with the existing business

There has been no change in the nature of business of your Company during the financial year 2019-20.

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SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review, the Company had no Subsidiary, Joint Venture and Associate Company.

CAPITAL STRUCTURE

During the year under review, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As at March 31, 2020, the Paid-up share capital stood at Rs. 15,15,38,500 comprising of 1,51,53,850 equity shares of ₹10 each, the same as in previous year.

DIVIDEND

Your directors are not recommending any payment on account of dividend.

LISTING OF SECURITIES

The Equity Shares of the Company are presently listed on BSE Limited (BSE) and the Application for delisting of shares of the Company has been moved to Delhi Stock Exchange and Calcutta Stock Exchange. The Annual Listing Fee for the financial year 2019-20 has been paid to BSE Limited.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. FINANCIAL REVIEW

Your Company has a Profit of Rs. 430.16 lakh after depreciation, interest & tax. The loss of Rs. 3104.81 lakh including brought forward loss of Rs. 34.97 lakh has been carried to the Balance Sheet.

B. RESOURCES AND LIQUIDITY

The Company, as in the past, is not relying on any borrowing except unsecured loans to fund its activities.

C. BUSINESS OVERVIEW AND UPDATES

Your company is currently engaged in providing Financial and Other Advisory Services besides dealing in shares and securities. However your board is in constant look out for the new business avenues which can be taken with the existing business.

D. OPPORTUNITIES AND THREATS

Currently we are engaged in providing Financial and Other Advisory Services besides dealing in shares and securities. The Company's operations might be adversely impacted due to COVID-19, reduced productivity due to employee stress and impact on emotional wellbeing while under Lockdowns or quarantines, Demand for the Company's services may be adversely affected in industry segment directly impacted by the Pandemic. This is likely to affect the company's earnings in the short and medium term.

In this regard, the Company prepared the Guidance and mandate of appropriate social distancing measures and workplace and home functioning advisories. Regular Communication & Coordination are taken for maintaining business services & reporting of status.

E. OUTLOOK

The COVID-19 pandemic is a major black -swan event, which has dragged the economy. Rolling lockdowns and distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets, and cause demand compression. In the immediate aftermath, enterprises are expected to downscale current investments, defer planned initiatives, cut costs and conserve cash.

F. RISK AND CONCERNS

Your Company at present is exposed to the normal industry risk factor of volatility in interest rate, economic cycle and credit risk.

G. ADEQUACY OF INTERNAL CONTROL

The established Internal Control Systems of your Company are adequate to ensure that all the activities are monitored and controlled against any misuse or misappropriation of asset and that the transactions are authorized, recorded and reported correctly. More so, these internal control systems are regularly monitored by the audit committee of your Company and are improved upon on regular basis. The Company has robust internal control systems commensurate to its size and scale of operations. The systems ensure efficiency, reliability, completeness of accounting records and preparation of reliable financial and management information. It also ensures compliances of all applicable laws and regulations, and protection of the Company's assets.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis describing the Company's objectives, outlook, estimates, expectations, predictions, belief and management perceptions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to Company's operations include, among others, economic conditions in the market in which the Company operates, changes in the Government Regulations, Tax Laws and other statutory and incidental factors. The Company assumes no responsibility in respect of the forward-looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

ARAVALI SECURITIES & FINANCE LIMITED

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DEPOSITS FROM PUBLIC

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest thereon was outstanding as on the date of the balance sheet.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Malvika Poddar (DIN: 00457245), Director of the Company retire by rotation and being eligible offer himself for re-appointment.

As per Section 149 and other applicable provisions of The Companies Act, 2013, your Directors are seeking reappointment of Mr. Suresh Kumar Lakhota (DIN:00450723) who was appointed as an Independent Non-Executive Director of the Company, to hold office for five consecutive years by the Members of the Company in the 35th Annual General Meeting held on 30th September, 2015 and whose term expire on conclusion of the ensuing 40th Annual General Meeting of the company for another term of upto five consecutive years upto 45th Annual General Meeting of the Company to be held in the year 2025.

During the year under review, Mr. Mohit Kaushik as Company Secretary of the Company resigned from his position on 13th June, 2019 & subsequently, Ms. Ruchi Shrivastava appointed as Company Secretary of the Company with effect from 09th September 2019.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Ranjan Kumar Poddar- Chairman & Managing Director, Mr. Sushil Kumar-Chief Financial Officer and Ms. Ruchi Shrivastava- Company Secretary were the KMPs of the Company.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Regulation 25 of the Listing Regulations, the Independent Directors have also confirmed that they meet the criteria of independence and are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

ANNUAL PERFORMANCE EVALUATION OF THE BOARD

Pursuant to applicable provisions of the Companies Act, 2013, as amended from time to time, the Nomination and Remuneration Committee has specified the manner for effective evaluation of performance of Board, its Committees and individual Directors. The Board of Directors has carried out evaluation of performance of each of them. The Committee reviews its implementation and ensure the compliances thereof. As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee, has also formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors. The Committee has selected certain additional criteria for evaluation of Executive Director. A structured questionnaire has been prepared, covering various aspects of the functioning of the Board and its Committees, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of role and responsibility by the Board and its Committees, frequency of the meetings, regulatory compliances and Corporate Governance etc. Similarly, for evaluation of individual Director's performance, the questionnaire covers various aspects like his/her attendance at the meeting of Board and its Committees, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc.

Board members had submitted their response on a scale of 1 (outstanding) to 5 (poor) for evaluating the entire Board, Committees of the Board and of their peer Board members, including Chairman of the Board. The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non - Independent Directors and the Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors. The Board of Directors has carried out evaluation of every Director's performance including the Executive Director. The performance evaluation of the Independent Directors have been done by the entire Board, excluding the Director being evaluated on the basis of performance and fulfillment of the independence criteria as specified under the Companies Act, 2013 and the Listing Regulations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company familiarises its directors about their role and responsibilities at the time of their appointment through a formal letter of appointment. Presentations are regularly made at the meetings of the Board and its various Committees on the relevant subjects. All efforts are made to keep Independent Directors aware of major developments taking place in the industry, business the company operates in and relevant changes in the law governing the subject matter.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year under review were on arms length basis and were also in the ordinary course of business. There were no materially significant related party transactions entered into by the Company with the promoters, directors, key managerial personnel which may have a potential conflict with the interests of the Company at large, no detail is required to be given in Form AOC-2. The details of the transactions with related parties are provided in the Notes to financial statements.

The Related Party Transactions policy as approved by the Board of Directors is uploaded on the Company's website www.aravalisecurities.com.

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AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 M/s. Rajan Goel & Associates, Chartered Accountants, New Delhi (Firm Registration No. 004624N), were appointed as Statutory Auditors of the Company to hold office for a period of Five Years from the conclusion of 39th Annual General Meeting till the conclusion of 44th Annual General Meeting of the Company to be held in the year 2024. The Company had received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

AUDITOR'S REPORT

In compliance with provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has prepared the Audited Financial Statements along with the Auditors' Report thereon and forms part of this Annual Report. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under section 133 of the Companies Act, 2013.

There are no qualifications, reservations, adverse remarks or disclaimers made by M/s. Rajan Goel & Associates, Statutory Auditors, in their report for the financial year ended March 31st, 2020.

During the year under review, the Statutory Auditors have not reported any incident of fraud to the Board as per the provisions of Section 143(12) of the Companies Act, 2013 and rules made thereunder.

CASH FLOW STATEMENT

In conformity with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the year ended on 31st March, 2020 as prepared under the provisions of Indian Accounting Standard -7 as notified under Section 133 of the Companies Act, 2013 is attached as a part of the Financial Statement of the Company.

SECRETARIAL AUDIT REPORT

As required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed Mr. Sachin Kumar Shrivastva (Membership no. 55362), Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report received from them forms part of this Annual Report. The Secretarial Audit Report contains one qualification, reservation and adverse remark in respect of Non- Publication in Newspaper of Audited Financial Results for the quarter & year ended March 31st, 2020 which were declared in the month of July, 2020 in view of prevailing COVID-19 Pandemic & Government restrictions. Upon remark raised by the Secretarial Auditor, the Company had taken immediate necessary steps for publishing the Audited Financial Results for the quarter & year ended March 31st, 2020 in the Newspaper.

A Secretarial Audit Report given by Mr. Sachin Kumar Shrivastva, Practising Company Secretary is given in Annexure-A to this report.

Further, As required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has proposed the re-appointment of Mr. Sachin Kumar Shrivastva (Membership no. 55362), Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2020-21.

INTERNAL AUDITORS

The Board of Directors of your Company has re-appointed M/s V.K. KILA & CO., Chartered Accountants, New Delhi (Firm Registration No. 007772C) as Internal Auditors pursuant to the provisions of Section 138 of the Companies act, 2013 for the financial year 2020-21. The Internal Auditors directly report to the Audit Committee.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is enclosed as a part of this Annual Report. The Company has appointed Mr. Sachin Kumar Shrivastava, Practising Company Secretary, to conduct the Corporate Governance Audit of the Company. A Certificate from them regarding compliance with Corporate Governance conditions as stipulated under the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure-C to the Report on Corporate Governance.

EXTRACTS OF ANNUAL RETURN:

In compliance with Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in form MGT-9 is attached in Annexure-B as part of this report.

BUSINESS RISK MANAGEMENT:

The Company has laid down a well defined Risk Management Policy to identify the risks associated with the business of the Company on a periodical basis and review the minimization programs to mitigate them. The Company is not mandatorily required to constitute a Risk Management Committee. As a good practice, the Company regularly reviews the existing risk management system and major risks associated with different businesses of the Company. The Audit Committee oversees the Risk Management function and reviews the prevailing risk management framework in the Company periodically. The Board of Directors of the Company, on the recommendation of the Audit Committee, takes appropriate measures, reviews the major risks associated with the Company and takes all requisite measures to minimize them.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

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VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company, as required under Section 177 of the Companies Act, 2013, Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 has established "Vigil Mechanism / Whistle Blower Policy" for Directors and Employees of the Company.

This Policy has been established with a view to provide a tool to directors and employees of the Company to report to the management genuine concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct of the Company. This Policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct is noticed or suspected. This Policy also provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee is authorized to oversee the Vigil Mechanism/ Whistle Blower Policy in the Company. The Company has not received any reference under the said policy during the year. The said policy of the Company can be accessed at www.aravalisecurities.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not granted any loans, made investments or provided any guarantees or securities to the parties covered under section 185 and 186 of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31st March, 2020 and the date of this report affecting financial position of the Company.

ORDERS PASSED BY THE REGULATORS OR COURTS, IF ANY

No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Regulation 19 of SEBI Listing Regulations, and the same is annexed as Annexure-D.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company being engaged in the Financial and Other Advisory Services and trading, does not have any energy utilization or technology absorption. The Company during the year under consideration has not earned or spent any foreign exchange.

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COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standard – 1 (Secretarial Standard on meetings of Board of Directors) and Secretarial Standard – 2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India.

ACKNOWLEDGEMENT

Your Company and its Directors wish to extend their sincere thanks for the co-operation received from shareholders, bankers, Government Authorities and other business constituent during the year under review. Your directors also wish to place on record their deep sense of appreciation for the commitment displayed by all employees of the Company.

By Order of the Board of Directors

**Place : Gurgaon
Date : 25th August, 2020**

**Sd/-
Ranjan Kumar Poddar
Chairman & Managing Director
(DIN:00290949)**

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Form No. MR-3Annual Secretarial Compliance Report
of M/s Aravali Securities and Finance Limited for the year ended 31st March 2020

To
The Board of Directors,
Aravali Securities and Finance Limited
Plot No. - 136, Fourth Floor, Rider House Sector-44
Gurgaon, Haryana - 122003

Dear Sir/ Madam,

I, Sachin Kumar Shrivastva, Company Secretary in Practice, has examined:

- all the documents and records made available to me and explanation provided by management of the Company "Aravali Securities and Finance Limited".
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the financial year ended on 31st March 2020 (Review Period) in the respect of the Compliance with the Provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(**not applicable on the Listed Entity during the period under review**);
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**not applicable on the Listed Entity during the period under review**);
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**not applicable on the Listed Entity during the period under review**);
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 (**not applicable on the Listed Entity during the period under review**);
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued there under;

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

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under, 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
1	As per Regulation 47 of the SEBI (Listing Obligation and Disclosure Requirements) regulations, 2015, The listed entity shall publish the following information in the newspaper: (a)notice of meeting of the board of directors where financial results shall be discussed, (b)financial results, as specified in regulation 33, along-with the modified opinion(s)or reservation(s), if any, expressed by the auditor	The listed entity has conducted Board meeting on 27 th July 2020 and approve the audited financial result for the quarter and year ended on 31 st March 2020. However the company has not published in Newspaper, the notice of the above said Board meeting and audited financial result for the quarter and year ended on 31 st March 2020 as required to be published under Regulation 47 of the SEBI (Listing Obligation and Disclosure Requirements) regulations, 2015	

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my/our examination of those records.

- (c) 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 there under:

Sr. No.	Action taken by	Details of Violation	Details of action take by i.e. fine, warning letter, debarment etc.	Observations/ Remarks of the Practicing Company Secretary
None				

- (d) 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 March 31, 2019.	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not applicable				

Date: 31.07.2020
Place: Vaishali

Sd/-
Sachin Kumar Shrivastva
(Company Secretary in Practice)
CP No. 21674
M.No. 55362

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[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	L67120HR1980PLC039125
ii)	Registration Date	11.06.1980
iii)	Name of the Company	Aravali Securities & Finance Limited
iv)	Category / Sub-Category of the Company	Company limited by shares/Non Government Company
v)	Address of the Registered office and contact details	Plot no. 136, Fourth Floor, Rider House Sector 44, Gurgaon-122003, Haryana
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020 Ph.no. 011-26812682

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:-

S. no	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities, n.e.c	64990	98.38%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. no	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section

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

i) Category-wise Share Holding

Category of Shareholder&	No. of Shares held at the beginning of the year 31/03/2019				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	1052260	0	1052260	6.94	1052260	0	1052260	6.94	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0.00
c) State Govt (s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other....	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1)	1052260	0	1052260	6.94	1052260	0	1052260	6.94	0.00
(2) Foreign									
a) NRIs - Individuals	5079603	0	5079603	33.52	5718603	0	5718603	37.74	0.00
b) Other-Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other...	0	0	0	0	0	0	0	0	0.00
Sub-total(A)(2)	5079603	0	5079603	33.52	5718603	0	5718603	37.74	4.22
Total shareholding of Promoter (A)'' (A)(1)+(A)(2)	6131863	0	6131863	40.46	6770863	0	6770863	44.68	4.22
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks/ FI	8705	4500	13205	0.09	8705	4500	13205	0.09	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) Fils	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total B)(1)	8705	4500	13205	0.09	8705	4500	13205	0.09	0.00
2.Non Institutions									
a) Bodies Corp.									
i) Indian	2521790	22696	2544486	16.79	2120829	22446	2143275	14.14	-2.65
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	2351573	2293342	4644915	30.65	2337662	2284598	4622260	30.5	-0.15
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1373872	111350	1485222	9.80	1173872	111350	1285222	8.48	-1.32
c) Others (specify)									
NRI	13566	0	13566	0.09	15641	0	15641	0.10	0.01
HUF	318643	0	318643	2.10	289113	0	289113	1.91	-0.19
Trust	1650	0	1650	0.01	1650	0	1650	0.01	0.00
Clearing Members	0	0	0	0.00	12621	0	12621	0.01	0.08
Others	0	0	0	0.00	0	0	0	0.00	0.00
NBFC registered with RBI	300	0	300	0.00	0	0	0	0.00	0.00
Sub-total (B)(2)	6581394	2427388	9008782	59.44	5951388	2418394	8369782	55.23	-4.21
Total Public Shareholding	6590099	2431888	9021987	59.53	5960093	2422894	8382987	55.32	-4.21
C)Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	12721962	2468935	15153850	100.00	12730956	2422894	15153850	100.00	0.00

(ii) Shareholding of Promoters

s. no	Shareholder's Name	shareholding at the beginning of the year 31/03/2019			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 I encumbered to Total shares	
1	Mr. Devashish Poddar (HUF)	400000	2.64	0	400000	2.64	0	0.00
2	Mr. Anupam Poddar	652260	4.30	0	652260	4.30	0	0.00
3	Mrs. Chandra Lekha Poddar	5079603	33.52	0	5718603	37.74	26800	4.22

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year 31/03/2019		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year 31/03/2020	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
At the beginning of the year	5079603	33.52	15 April 2019	4.22	Purchase	5718603	37.74
Date wise Increase I Decrease in Promoters Shareholding during the year specifying the reasons for increase I decrease (e.g. allotment / transfer/ bonus/ sweat equity etc)	639000	4.22	15 April 2019	Increase	Purchase	-	-
At the End of the year	5079603	33.52	15 April 2019	4.22	Purchase	5718603	37.74

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

S. no.	For each of the Top 10 shareholders	Shareholding at the beginning of the year 31/03/2019		Shareholding at the end of the year 31/03/2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BISHWANATH TRADERS AND INVESTMENT LTD	515479	3.40	515479	3.40
2	DILWARA LEASING AND INVESTMENT LTD	133000	0.88	133000	0.88
3	LE ROY SECURITIES PVT LTD	394000	2.60	439000	2.90
4	VISHWANATH AGARWALLA	78478	0.52	78478	0.52
5	AMIT GOEL	130423	0.86	130423	0.86
6	PANKAJ NAKRA	66748	0.44	66748	0.44
7	GARDEN VIEW MEADOWS PVT LTD	1028000	6.78	1028000	6.78
8	LEELA AGARWALLA	66522	0.44	66522	0.44
9	ANAND KUMAR KESARI	334064	2.20	334064	2.20
10	UJWALA KHANNA	83869	0.55	83869	0.55
11	NUPUR SHARMA	200000	1.32	0	0.00
12	HIMANSHU AJMERA	66150	0.44	66150	0.44

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director/ KMP	Shareholding at the beginning of the year 31/03/2019		Cumulative Shareholding during the year 31/03/2020	
		No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year (Mr. Devashish Poddar, Director)	400000	2.64	400000	2.64
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase I decrease (e.g. allotment I transfer I bonus/ sweat equity etc):	-			
	At the End of the year	400000	2.64	400000	2.64

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lakhs)**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured	Total
		Loans	Indebtedness
i) Principal Amount	-	979.67	979.67
ii) Interest due but not paid	-	69.98	69.98
iii) Interest accrued but not due	-	63.55	63.55
Total (i+ii+iii)	-	1113.20	1113.20
Change in Indebtedness during the financial year	-		
• Addition	-	356.44	356.44
• (Reduction)	-	(645.71)	(645.71)
Net Change	-	(289.27)	(289.27)
Indebtedness at the end of the financial year	-		
i) Principal Amount	-	756.42	756.42
ii) Interest due but not paid	-	17.31	17.31
iii) Interest accrued but not due	-	50.20	50.20
Total (i+ii+iii)	-	823.93	823.93

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Ranjan Kumar Poddar, Chairman & Managing Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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 Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify. ••	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	Within the ceiling as per the Companies Act, 2013	

B. REMUNERATION TO OTHER DIRECTORS:

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
		Mr. Naresh Birla	Mr. Rakesh Bhartia	Mr. Suresh Kumar Lakhotia	
1	Independent Directors				
	Fee for attending board / committee meetings	10000	6000	10000	26000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1) (in Rs.)	10000	6000	10000	26000
2	Other Non-Executive Directors	Mr. Devashish Poddar	Mrs. Malvika Poddar		
	Fee for attending board / committee meetings	10000	6000		16000
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2) (in Rs.)	10000	6000		16000
	Total Managerial Remuneration (in Rs.)				42000
	Overall Ceiling as per the Act	Within the ceiling as per Section 197 of the Companies Act, 2013			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (In Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary		Chief Financial Officer	
		Mr. Mohit Kaushik*	Ms. Ruchi Shrivastava@	Mr. Sushil Kumar	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84,500	2,60,580	7,57,150	11,02,230
(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 Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	84,500	2,60,580	7,57,150	1102230

* resigned as the Company Secretary effective 13th June 2019
@ appointed as Company Secretary effective from 09th September 2019

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

TYPE	SECTION OF THE COMPANIES ACT	BRIEF DESCRIPTION	DETAILS OF PENALTY/PUNISHMENT/ COMPOUNDING FEES IMPOSED	AUTHORITY [RD / NCLT / COURT]	APPEAL MADE, IF ANY (GIVE DETAILS)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Aravali Securities & Finance Ltd (Aravali) governance philosophy is that the policies and procedures should be so strong that they don't leave any room for mistakes or manipulations. ARAVALI emphasis is on providing complete transparency in management and fixing authority and responsibility of every person in the organisation. This enables every person in the organisation to work for the achievement of the Company's goal and thereby maximising the return to the Company as also to the members of the Company.

ARAVALI's Corporate Governance is based on two core principles:

- I. Management must have the executive freedom to drive the enterprise forward without undue restraints; and
- II. This freedom of management should be exercised within a framework of effective accountability.

ARAVALI believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are not misused, and used with care and responsibility to meet stakeholders' aspirations and societal expectations.

Corporate Governance is an integral element of Company's value system, management ethos and business practices. Good Corporate Governance is a continuing exercise and the Company is committed to ensure the same by focusing on strategic and operational excellence in the overall interest of its all stakeholders.

The above belief and core principles of Corporate Governance adopted by ARAVALI lead to Company's governance philosophy, trusteeship, transparency, accountability and responsibility which in turn are the basis of public confidence in corporate system.

2. BOARD OF DIRECTORS

- I. Composition of the Board:
- II. During the year the Composition of Board of Directors of the Company has been in conformity with the requirements of Regulation 17 of the Listing Regulations. The Chairman of the Board is an Executive Director. As on 31st March 2020, the Board consisted of one (1) Executive Director and five (5) Non-Executive Directors (including three (3) Independent Directors). The Independence of a Director is determined by the criteria stipulated under Regulation 16 of the Listing Regulations and also under Section 149 of the Companies Act, 2013. The Board represents an optimal mix of professionalism, knowledge and experience.

Composition, Category of Directors and their other directorship as on March 31, 2020:

Name of Directors	Executive/Non Director	Executive	Independent Status	No. of other Directorships held in other Companies	Committee position in other Companies	
					Member	Chairman/
Mr. Ranjan Kumar Poddar Chairman & Managing Director	Executive		Promoter	Nil	Nil	Nil
Mr. Devashish Poddar, Director	Non-Executive		Promoter Associate	One	Nil	Nil
Mrs. Malvika Poddar, Director	Non-Executive		Promoter Associate	Five	Nil	Nil
Mr. Suresh Kumar Lakhota, Director	Non-Executive		Independent	One	Nil	Nil
Mr. Rakesh Bhartia, Director	Non-Executive		Independent	Nil	Nil	Nil
Mr. Naresh Birla, Director	Non-Executive		Independent	Nil	Nil	Nil

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Notes:

1. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a Member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2020 have been made by the Directors. None of the Directors are related to each other.
2. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
3. Other directorships do not include directorships of Foreign Companies and Companies under Section 8 of the Act. Chairmanships/ Memberships of the Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.
4. The Company has proper systems to enable the Board of Directors to periodically review compliance reports of all laws applicable to the Company.
5. The maximum time gap between any two meetings did not exceed four calendar months.

II. Director's interest in the Company and attendance records:

Director	No. of Board meetings attended during the year 2019-20	Last AGM attended	No. of equity shares held
Mr. Ranjan Kumar Poddar	4	Yes	Nil
Mr. Devashish Poddar	5	Yes	400000
Mrs. Malvika Poddar	3	Yes	Nil
Mr. Suresh Kumar Lakhota	5	Yes	Nil
Mr. Rakesh Bhartia	3	No	Nil
Mr. Naresh Birla	5	Yes	Nil

Note : During the year, five (5) meetings of the Board of Directors were held on 11th May, 2019, 21st May 2019, 14th August, 2019, 12th November, 2019 and 12th February, 2020.

- III. Mr. Devashish Poddar is the son of Mr. Ranjan Kumar Poddar. Mrs. Malvika Poddar is the spouse of Mr. Devashish Poddar. None of the other directors are related to any other director on the Board.
- IV. The familiarisation program imparted during the year under review to the Independent Directors is placed on the Company's website viz., www.aravalisecurities.com
- V. Meeting of Independent Director

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Chairman and Managing Director. During the year, one meeting of Independent Directors was held on 21st March 2020 for reviewing the performance of each of the Non-independent Directors and the Board as a whole and assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

3. BOARD COMMITTEES, MEETINGS AND PROCEDURES

I. AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations and as a measure to good Corporate Governance and to provide assistance to the Board of Directors in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company, an Audit Committee has been constituted. The terms of reference of the Audit Committee includes all the matters prescribed under the applicable provisions of Companies Act, 2013 and the Listing Regulations and the Audit Committee considers and reviews other matters also, which are referred to it from time to time by the Board or it considers appropriate for discharge of its various functions. The Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors of the Company. The Audit Committee is responsible for effective supervision of the financial reporting process, the appointment, independence, performance and remuneration of the Statutory Auditors and Internal Auditors ensuring financial and accounting controls and compliance with the financial and accounting policies of the Company. The Committee reviews the financial statements and Quarterly and Annual Results with special emphasis on accounting policies and practices, ensuring compliance with Indian Accounting Standards and other legal requirements concerning financial statements before they are submitted to the Board. The Internal Audit Reports on various matters covered by the Internal Auditors are regularly discussed in detail in the Audit Committee meetings. It scrutinizes the inter-corporate loans and investments by the Company and by its subsidiary companies. The Audit Committee approves the related party transactions and also grants its omnibus approval to related party transactions in appropriate cases. It also oversees the compliance under Vigil Mechanism (Whistle Blower Policy) of the Company. The Board has also

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authorised the Audit Committee to review the compliances with the provisions of the Security and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to verify the system for internal control are adequate and operating efficiently.

As on 31st March 2020, the Audit Committee comprised of three Directors out of which two are Independent Directors. The Chairman of the Committee is an Independent Director. All members of the Committee are financially literate. During the year, the Members of the Audit Committee met Five (5) times on 11th May 2019, 21st May 2019, 14th August 2019, 12th November 2019, and 12th February 2020 and the attendance of the members at the meeting was as follows:

Name of member	Status	No. of meetings attended
Mr. Rakesh Bhartia	Chairman	3
Mr. Naresh Birla	Member	3
Mr. Devashish Poddar	Member	5

The General Manager - Commercial, Chief Financial Officer and Statutory Auditors are the permanent invitees. The Company Secretary is the secretary of the Committee.

II. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee (NRC), which comprised three (3) Directors including two (2) Independent Directors. The Chairman of the NRC is an Independent Director. The terms of reference and role of the NRC includes:

- Formulation of the criteria for the appointment of Directors and Senior Management.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management.
- Recommend to the Board appointment and removal of the Directors and Senior Management Personnel.
- Formulation of criteria for evaluation of Independent, Executive and Non – Executive Director and the Board.
- Carry out evaluation of every director's performance.
- Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company.
- Devise a policy on Board diversity.
- Formulate the criteria for determining qualifications, positive attributes and independence of the Directors.

The Committee met Five (5) times on 11th May 2019, 21st May 2019, 14th August 2019, 12th November 2019, and 12th February 2020 during the year i.e. and the attendance of the members at the meeting was as follows:

Name of member	Status	No. of meetings attended
Mr. Naresh Birla	Chairman	5
Mr. Rakesh Bhartia	Member	3
Mr. Devashish Poddar	Member	5

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with NRC, has formulated a framework containing, *inter – alia*, the criteria for performance evaluation of the entire Board of the Company, its Committee and individual Directors, including Independent Directors.

Details of directors' remuneration paid for the year 2019-20.

- (a) Executive Director NIL (The Company does not pay any remuneration to its Executive Director.)
- (b) Non Executive Directors Rs. 42,000

Name of Director	Sitting Fees paid during 2019-20
Mr. Devashish Poddar	Rs. 10,000
Mr. Naresh Birla	Rs. 10,000
Mr. Rakesh Bhartia	Rs. 6,000
Mrs. Malvika Poddar	Rs. 6,000
Mr. Suresh Kumar Lakhotia	Rs. 10,000

Note: No remuneration except sitting fees for attending Board Meetings are paid to the non-executive Directors (no change in sitting fees). No remuneration is paid to any Director for attending Board level Committee meetings.

III. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee as on 31st March, 2020 comprises of Mr. Devashish Poddar, Mrs. Malvika Poddar & Mr. Naresh Birla.

The Company Secretary is entrusted with the responsibility to look into the redressal of the shareholder's complaints and report the same to the Committee.

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The Committee has been formed by the Board of Directors to look into the matters relating to transfer/ transmission of shares and the redressal of shareholders/ investors complaints and also matters relating to shareholders value enhancement. The Committee takes care of the physical transfer/ transmission of equity shares of the Company on fortnightly basis and considers other relevant matters. During the year, the Committee met One (1) time & no complaint was received from a shareholder.

The Securities and Exchange Board of India vide its Notification dated 9th May, 2018 has amended the scope of Stakeholders' Relationship Committee. As per the aforesaid amendment, the Board of Director of the Company has expanded roles and responsibilities of the Stakeholders' Relationship Committee to include the following:

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ii. Review of measures taken for effective exercise of voting rights by shareholders.
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

4. GENERAL BODY MEETINGS

I. Details of General Body Meetings:

Financial Year	Date	Day	Time	Venue
2018-19	30 th September 2019	Monday	11.00 A.M.	Plot No1, Sector 4, Behind HUDA Market, Gurgaon- 122006
2017-18	28 th September, 2018	Wednesday	11.00 A.M.	Plot No1, Sector 4, Behind HUDA Market, Gurgaon- 122006
2016-17	27 th September, 2017	Wednesday	11.00 A.M.	Plot No1, Sector 4, Behind HUDA Market, Gurgaon- 122006

II. Special Resolutions passed in the previous three Annual General Meeting

Date	Description of Special Resolutions passed
30 th September, 2019	<ol style="list-style-type: none">i. To re-appoint Mr. Naresh Birla (DIN 02902650) as an Independent Directorii. To appoint Mr. Rakesh Bhartia (DIN 00877865), as an Independent Director
28 th September, 2018	NIL
27 th September, 2017	NIL

Mr. Sachin Kumar Shrivastva, Practising Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. Postal Ballot Notice along with the Postal Ballot Form, self addressed prepaid envelopes were dispatched through Registered Post/ Courier Services to the members who are holding shares as on cut-off date fixed for the purpose. The members were required to send the duly completed and signed Postal Ballot Form to the Scrutinizer on or before the closure of the last date fixed for receipt of the same.

5. CODE OF CONDUCT

The Board of directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the directors and members of the senior management.

6. DISCLOSURES

a) Related Party Transactions

The Company has adopted a 'Policy on Related Party Transactions' upon the recommendation of Audit Committee and the said Policy includes the material threshold and the manner of dealing with Related Party Transactions. The Audit Committee has laid down the criteria for granting the omnibus approval in the said Policy and grants omnibus approvals from time to time for the transactions which are frequent/ regular/ repetitive and are in the normal course of business. During the year, there were no transactions of material nature with the promoters, directors or the management or their subsidiaries or relatives etc. that had potential conflict with the interest of the Company. The policy on Related Party Transactions is posted on the Company's website viz., www.aravalisecurities.com.

b) Details of non-compliance by the Company

The Company has duly complied with all the requirements of the Listing Regulations as well as other Regulations and Guidelines issued by Securities and Exchange Board of India (SEBI) from time to time. There have neither been any instance of non-compliance nor any penalty or stricture have been imposed on the Company by Stock Exchanges or by SEBI or by any other statutory authorities on any matter related to the capital markets during the last three years.

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During the year under review, a notice was received from BSE Limited imposing a fine of Rs. 1,07,380/- on the Company in respect of non-compliance with Regulation 6(1) of SEBI (LODR) Regulation, 2015 for the quarter ended June 2019 for appointing the qualified Company Secretary as Compliance Officer. On the representation made by the Company dated 11th September 2020, BSE Limited has waived the fine imposed by it.

c) Whistle Blower Policy

In accordance with the requirement of Section 177 of the Companies Act, 2013 and the Rules made thereunder and Regulation 22 of Listing Regulations, the Company has formulated a 'Vigil Mechanism/ Whistle Blower Policy' which provides a tool to the Directors and Employees of the Company to report Genuine Concerns including unethical behavior, actual or suspected fraud or violation of the Code of Conduct or Policy.

The mechanism provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is posted on the Company's website viz., www.aravalisecurities.com.

d) In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies, which are consistently applied, are disclosed in Note No. 1 to the accounts in the annual report.

e) Business risk evaluation and management is an ongoing process within the Company. During the year under review a detailed exercise on 'Risk Assessment & Management' was carried out covering the entire gamut of business operations and Board was informed of the same.

f) Adoption of non-mandatory requirements of (1) of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. Means of Communication

Quarterly un-audited results and the Annual Audited financial results duly approved by the Board of Directors are sent to all the Stock Exchanges where the Company's shares are listed immediately after the Board Meeting and published in one vernacular newspaper viz. Jan Satta and one English newspaper viz. Financial Express. The Company also posts its financial results for all quarters on its own website viz. www.aravalisecurities.com. Official news releases are being displayed on the website of the Company. The Management of the Company is in regular touch with the investors' community and keeps sharing with them the performance of the Company and satisfy the queries raised by the Stakeholders.

8. General Shareholders Information

1.	Annual General Meeting will be held on Wednesday the 30 th day of September, 2020 via VC/OACM at 11.00 A.M.	
2.	Financial calendar	1 st April 2020 to 31 st March 2021
	First Quarter results	Before 15 th August
	Annual General Meeting	Second Quarter of the Financial Year
	Second Quarter results	Before 15 th November
	Third Quarter results	Before 15 th February
	Fourth Quarter results	Before 30 th May
3.	Dates of book closure	24.09.2021 To 30.09.2021 (both days inclusive)
4.	Dividend payment date	No dividend is recommended for payment
5.	Listing of equity shares on Stock Exchanges at :	BSE Limited, Mumbai Calcutta Stock Exchange Ltd., Kolkata* Delhi Stock Exchange Ltd., New Delhi*

(*Application for delisting of shares of the Company has been moved to Delhi Stock Exchange and Calcutta Stock Exchange)
Annual Listing fees for the year 2019-20 have been duly paid to BSE Limited.

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6. Stock Code BSE Limited BSE:512344
ISIN (for Dematerialisation) INE068C01015

7. Stock Market Price data for the year 2019-20
Share Price on BSE

Month	High (Rs.)	Low (Rs.)
April, 2019	Not available	Not available
May, 2019	Not available	Not available
June, 2019	Not available	Not available
July, 2019	Not available	Not available
August, 2019	Not available	Not available
September, 2019	3.77	3.77
October, 2019	Not available	Not available
November, 2019	3.77	3.77
December, 2019	3.75	3.57
January, 2020	Not available	Not available
February, 2020	3.40	3.40
March, 2020	3.40	2.62

8. Share Transfer System:

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. In compliance with the SEBI directions, the Company has appointed the following registrar as common agency to handle both physical and demat share work w.e.f. 1st April, 2003. The shares which are lodged for transfer with the Registrar and Transfer Agent of the Company are processed and returned to the shareholders within stipulated time. The address of the Registrar and Transfer Agent for correspondence is as under:

Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor, Okhla Industrial Area,
Phase-I New Delhi-110 020

9. (a) Distribution of Shareholding as on 31st March, 2020

Number of Equity Shares	Number of Shareholders	Percentage (%)	Number of Equity Shares held	% to Total Amount
Up To 5,000	14380	90.34	20508580	13.53
5001 To 10,000	812	5.1	6466830	4.27
10001 To 20,000	356	2.24	5306220	3.5
20001 To 30,000	120	0.75	3070560	2.03
30001 To 40,000	45	0.28	1624700	1.07
40001 To 50,000	46	0.29	2205050	1.46
50001 To 1,00,000	84	0.53	5860920	3.87
1,00,000 and Above	74	0.46	106495640	70.28
Total	15917	100	151538500	100

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(b) Categories of Shareholders as on 31st March, 2020

	Category	Number of shareholders	Number of equity shares held	(%) of shareholders
i)	Promoters & person acting in concert	3	6770863	44.68
ii)	Mutual Funds/ UTI	0	0	0.00
iii)	Public Financial Institution/ Banks	8	13205	0.09
iv)	Non Resident Indians	19	15641	0.01
v)	Other Bodies Corporate	136	2143275	14.14
vi)	Others	15753	6210866	41.08
	Total	15917	15153850	100.00

10. Dematerialisation of shares and liquidity

Trading in shares of ARAVALI is permitted only in dematerialised form as per circular issued by the Securities and Exchange Board of India (SEBI) and 84.01% of the Equity shares of the Company have been dematerialised upto 31st March 2020.

11. The address for correspondence is as mentioned below:

Registered Office

ARAVALI SECURITIES & FINANCE LIMITED
Plot No. 136, Fourth Floor, Rider House,
Sector 44, Gurgaon-122003, Haryana

Place: Gurgaon

Date: 25th August, 2020

By Order of the Board of Directors

Sd/-
Ranjan Kumar Poddar
Chairman & Managing Director
(DIN: 00290949)

ARAVALI SECURITIES & FINANCE LIMITED

REGD. OFFICE : RIDER HOUSE, 4th Floor, Plot No. 136, Sector-44, Gurgaon-122003

Phone : +91-124-4556677

CIN : L67120HR1980PLC039125 | Website: www.aravalisecurities.com | Email : info@aravalisecurities.com



ANNEXURE-D TO DIRECTORS' REPORT

REMUNERATION POLICY

BACKGROUND

Aravali Securities & Finance Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the stakeholders.

BRIEF OVERVIEW UNDER COMPANIES ACT 2013

{Section 178 and Companies [Meetings of Board and its Powers] Rules 2014}

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:—
 - *the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - *relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - *remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Such policy shall be disclosed in the Board's report.

BRIEF OVERVIEW OF THE REVISED CLAUSE 49 OF LISTING AGREEMENT

IV. Nomination and Remuneration Committee

- A. The company shall set up a Nomination and Remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.
- B. The role of the committee shall *INTER-ALIA* include the following:
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
 - Formulation of criteria for evaluation of Independent Directors and the Board;
 - Devising a policy on Board diversity;
 - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

PRESENT POSITION OF DIRECTORS AND KMP OF THE COMPANY

- The Company has constituted a Nomination and Remuneration Committee of the Board of Directors (Board).
- At present there are total Six Directors on the Board of which four (2) are Non-Executive and (3) are Independent, and the remaining One (1) is Executive Director.
- Director draws remuneration from the Company.
- Key Managerial Personnel (KMP) consists of Managing Director, Chief Financial Officer and Company Secretary who is employees.

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TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and determine appropriate compensation package for them. Selection of related persons whether or not holding place of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors only.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

CRITERIA FOR DETERMINING THE FOLLOWING:-

Qualifications for appointment of Directors (including Independent Directors):

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made there under and Clause 49 of Listing Agreement.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Clause 49 of the Listing Agreement as amended from time to time

Criteria for appointment of KMP/Senior Management:

- To possess the required qualifications, experience, skills and expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL:

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director / KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

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- Following criteria are also to be considered:
Responsibilities and duties;
Time and efforts devoted;
Value addition;
Profitability of the Company and growth of its business;
Analyzing each and every position and skills for fixing the remuneration yardstick;
Standards for certain functions where there is a scarcity of— qualified resources. Ensuring tax efficient remuneration structures.
Ensuring that remuneration structure is simple and that the cost— to the Company (CTC) is not shown inflated and the effective take home remuneration is not low. Other criteria as may be applicable.—
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

REVIEW

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

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CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Aravali Securities and Finance Limited
Plot No. 136, Rider House, 4th Floor
Sector-44, Gurgaon - 122003, Haryana

We have examined the compliance of conditions of Corporate Governance by the Company, for the financial year ended 31st March, 2020 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulations 46(2) and Para C and D of schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The Listing Regulation).

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance 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.

Date: 25.08.2020
Place: Vaishali

Sd/-
Sachin Kumar Shrivastva
Practising Company Secretary
M. No. 55362
C. P. No. 21674



CEO/ CFO CERTIFICATION

To
The Board of Directors
Aravali Securities & Finance Ltd.

Dear Sirs,

- a) We have reviewed the financial statements and the cash flow statement of Aravali Securities & Finance Ltd. (the Company) for the year ended March 31, 2020 and to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, significant deficiencies in the design of operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- Significant changes in internal control over financial reporting during the year;
 - Significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's Internal Control System over financial reporting.

Dated : 25th August, 2020

Sd/-
Sushil Kumar
Chief Financial Officer

Sd/-
Ranjan Kumar Poddar
Chairman & Managing Director
(DIN: 00290949)

CODE OF CONDUCT

DECLARATION

I, Ranjan Kumar Poddar, Chairman & Managing Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Rules of Code of Conduct for the financial year ended 31st March, 2020, pursuant to the requirements of Clause 49 of the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Date: 25th August, 2020

For Aravali Securities & Finance Limited

Sd/-
Ranjan Kumar Poddar
Chairman & Managing Director
(DIN: 00290949)

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INDEPENDENT AUDITORS' REPORT

To the Members of Aravali Securities & Finance Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of ARAVALI SECURITIES & FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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 Ind AS financial statements give the information required by the Companies Act, 2013, "(the Act)" in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A' statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under the provisions of Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit:

- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books:
- c. The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account:
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B';
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position except the sales tax liability pending in appeals/ rectification of Rs.160969, as referred in note 32 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Rajan Goel & Associates
Chartered Accountants
(Firms Regn.No.004624N)

Place: Gurgaon
Date: 27th July, 2020

sd/-
Rajan Kumar Goel
Proprietor
Membership No. 083829

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date to the members of Aravali Securities & Finance Limited as at and for the year ended 31st March, 2020)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. The fixed assets of the Company were physically verified by the management during the year. In our opinion, frequency of physical verification is reasonable having regard to the size of the operation of the Company. On the basis of explanations received, in our opinion, no discrepancy between the book records and physical inventory has been noticed in respect of assets physically verified.
- 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.
- ii. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancy was noticed on physical verification.
- iii. The Company has not given any loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided any guarantees or securities to the parties covered under section 185 and 186 of the Companies Act 2013.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
- vi. The Central Government has not prescribed maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of any of the company's activities.
- vii. (a) According to the information and explanations given to us and the books and records as produced and examined by us, in our opinion, the undisputed statutory dues including in respect of provident fund, employees' state insurance, income- tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable have been regularly deposited by the Company during the year with the appropriate authorities. There were no undisputed statutory dues as at the last day of the financial year outstanding for a period of more than six months from the date they became payable.
- (b) According to the records of the company, there were no dues of income tax, service tax, duty of customs, duty of excise value added tax, which have not been deposited on account of disputes. The particulars of dues of sales tax as at 31st March, 2018 which have not been deposited on account of disputes are as under:

Name of the dues	Period	Amount under dispute deposited	Forum before whom pending
Sales Tax	Financial year 1984-85, 1985-86, 2000-01 and 2001-02	Rs. 1,60,969	Asst. Commissioner of Sales (Appeals) Delhi

- viii. The Company does not have any outstanding dues to financial institutions, banks or government and debenture holders.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debit instruments) and term loans during the period. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- xi. The Company has not paid/provided for managerial remuneration and accordingly paragraph 3 (xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Rajan Goel & Associates
Chartered Accountants
(Firms Regn.No.004624N)

Place: Gurgaon
Date: 27th July, 2020

sd/-
Rajan Kumar Goel
Proprietor
Membership No. 083829

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Aravali Securities & Finance Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind-AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 with reference to these Ind-AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these Ind-AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind-AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind- AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind- AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind- AS financial statements 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 with reference to these Ind- AS financial statements and such internal financial controls over financial reporting with reference to these Ind- AS financial statements were operating effectively as at 31st March, 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.

For Rajan Goel & Associates
Chartered Accountants
(Firms Regn.No.004624N)

Place: Gurgaon
Date: 27th July, 2020

sd/-
Rajan Kumar Goel
Proprietor
Membership No. 083829



BALANCE SHEET AS AT 31ST MARCH, 2020

	Note No	As at 31st March, 2020 Rupees	As at 31st March, 2019 Rupees	As at 1st April, 2018 Rupees
ASSETS				
1) Non-Current Assets				
(a) Property, Plant & Equipment	4	21225860	22283349	22885213
(b) Financial Assets				
Investments	5	-	100952	41149189
(c) Deffered Tax Assets	6	2259026	2782079	4055909
(d) Other Non Current Assets	7	10791931	4463682	4429544
Total Non-Current Assets	(A)	34276817	29630062	72519855
2) Current Assets				
(a) Financial Assets				
Investments	8	617864	582335	542603
Inventories of Shares & Securities	9	-	276351	215676
Cash and Cash Equivalents	10	4672213	10307284	2062459
Loans & Advances	11	28497522	25978146	22922381
Others	12	2763707	2519376	3055765
(b) Current Tax Assets (Net)	13	-	1517545	1912809
(c) Other Current Assets	14	2960131	995658	590953
Total Current Assets	(B)	39511437	42176695	31302646
TOTAL ASSETS (A)+(B)		73788254	71806757	103822501
EQUITY AND LIABILITIES				
1) Equity				
(a) Equity Share Capital	15	151538500	151538500	151538500
(b) Other Equity	16	(166991252)	(210007437)	(172054453)
Total Equity	(A)	(15452752)	(58468937)	(20515953)
2) Current Liabilities				
(a) Financial Liabilities				
Borrowings	17	75642000	97967000	105317000
Other Financial Liabilities	18	6751357	13353060	15509948
(b) Other Current Liabilities	19	4892052	17999376	2579181
(c) Provisions	20	1955597	956258	932325
Total Current Liabilities	(B)	89241006	130275694	124338454
TOTAL EQUITY AND LIABILITIES (A)+(B)		73788254	71806757	103822501

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For RAJAN GOEL & ASSOCIATES

Chartered Accountants

(Firm Registration No. 004624N)

For and on behalf of the Board

sd/-

Ranjan Kumar Poddar

Chairman & Managing Director

sd/-

Devashish Poddar

Malvika Poddar

Rakesh Bhartia

Suresh Kumar Lakhotia

Naresh Birla

Directors

sd/-

RAJAN KUMAR GOEL

Proprietor

Membership No.083829

Place : Gurgaon

Date: 27th July, 2020

sd/-

Ruchi Shrivastava

Company Secretary

sd/-

Sushil Kumar

Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No	For the year ended 31st March, 2020 Rupees	For the year ended 31st March, 2019 Rupees
INCOME :			
Revenue from Operations	21	5082232	16585804
Other Income	22	54709874	10345946
Total Income		59792106	26931750
EXPENSES :			
Changes in Inventories of Shares & Securities	23	276351	(60675)
Employee Benefits Expense	24	3945320	3908582
Finance Costs	25	7266840	9919670
Depreciation and Amortisation Expenses	26	604489	601864
Other Expenses	27	4127951	48907513
Total Expenses		16220951	63276954
Profit / (Loss) before Exceptional Items and Tax		43571155	(36345204)
Exceptional Items		-	-
Profit / (Loss) before Tax		43571155	(36345204)
Tax Expenses			
Current Tax		6399200	435940
Deferred Tax		517968	1257842
Mat Credit Entitlement		(6399200)	-
		517968	1693782
Profit / (Loss) for the year		43053187	(38038986)
Other Comprehensive Income			
(i) Items that will not be reclassified to Profit & Loss			
a) Fair value of Investment in Mutual Fund routed through Other Comprehensive Income		35529	61495
b) Remeasurement of Defined Benefit Asset/(Liability)		(67446)	40496
		(31917)	101991
(ii) Income Tax relating to items that will not be reclassified to Profit & Loss			
		5085	15989
Total Other Comprehensive Income		(37002)	86002
Total Comprehensive Income for the year		43016185	(37952984)
Earnings Per Share (Par value of Rs. 10 per share)			
Basic		2.84	(2.51)
Diluted		2.84	(2.51)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For RAJAN GOEL & ASSOCIATES

Chartered Accountants
(Firm Registration No. 004624N)

sd/-

RAJAN KUMAR GOEL

Proprietor
Membership No.083829
Place : Gurgaon
Date: 27th July, 2020

sd/-

Ruchi Shrivastava
Company Secretary

sd/-

Sushil Kumar
Chief Financial Officer

For and on behalf of the Board

sd/-

Ranjan Kumar Poddar
Chairman & Managing Director

sd/-

Devashish Poddar

Malvika Poddar

Rakesh Bhartia

Suresh Kumar Lakhota

Naresh Birla

Directors



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		43053187		(38038986)
Adjustment for :				
Depreciation	604489		601864	
Dividend Income	(297)		(281)	
Provision for Tax	517968		1693782	
Provision for Standard assets as per RBI Prudential Norms	0		(103913)	
Profit on sale of Assets	(44000000)			
Loss on Sale of Investment	53759		41070000	
Finance Cost	7266840		9919670	
Provision for Leave Encashment	44625	(35512616)	127846	53308968
Operating Profit before Working Capital Changes		7540572		15269982
Adjustment for :				
Trade & Other Receivables	(4724675)		(2917723)	
Inventories	276351		(60675)	
Trade & Other Payables	(13107324)	(17555648)	15420194	12441796
Cash generated from Operations		(10015077)		27711778
Taxes paid	(3926941)	(3926941)	(40676)	(40676)
NET CASH FLOW FROM OPERATING ACTIVITIES		(13942018)		27671102
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Fixed Assets	44500000			
Purchase of Fixed Assets	(47000)			
Sale of Investments	47193			
Dividend received	297		281	
NET CASH FLOW FROM INVESTING ACTIVITIES		44500490		281
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (Decrease) in borrowings	(22325000)		(7350000)	
Finance Cost	(13868543)		(12076558)	
NET CASH FLOW FROM FINANCING ACTIVITIES		(36193543)		(19426558)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(5635071)		8244825
CASH AND CASH EQUIVALENT AS AT 31ST MARCH, 2019		10307284		2062459
CASH AND CASH EQUIVALENT AS AT 31ST MARCH, 2020		4672213		10307284

Note :- Figures in bracket represents outflow.

As per our report of even date attached.
For RAJAN GOEL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004624N)

sd/-
RAJAN KUMAR GOEL
Proprietor
Membership No.083829

Place : Gurgaon
Date: 27th July, 2020

sd/-
Ruchi Shrivastava
Company Secretary

sd/-
Sushil Kumar
Chief Financial Officer

For and on behalf of the Board
sd/-
Ranjan Kumar Poddar
Chairman & Managing Director
sd/-
Devashish Poddar
Malvika Poddar
Rakesh Bhartia
Suresh Kumar Lakhotia
Naresh Birla
Directors



1 Corporate Information

ARAVALI SECURITIES & FINANCE LIMITED (the 'Company') is a Company domiciled in India, with its registered office situated at Plot No 136, Rider House, 4th Floor, Sector 44, Gurgaon -122003, Haryana. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the BSE Limited (BSE), in India. The Company is presently engaged in providing Financial and Other Advisory Services besides dealing in Shares and Securities.

2 Basis of Preparation

A. Statement of Compliance

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act.

The Financial Statements have been prepared under the historical cost convention on an accrual basis of accounting except for certain financial assets (refer accounting policy regarding financial assets) which are measured at fair values

B. Functional and Presentation Currency

These financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest rupee, except when otherwise indicated.

C. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following item

<u>Items</u>	<u>Measurement basis</u>
Certain financial assets and liabilities	Fair Value
Net defined benefit (asset)/ liability	Present value of defined benefit obligation

D. Use of Estimates

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The management believes that these estimates and assumptions are reasonable and prudent. However actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are furnished in the relevant notes.

E. Measurement of Fair Values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For the purpose of Fair value disclosures the company has determined classes of assets and liabilities on the basis of nature characteristics and risk of assets or liabilities and the level of fair value hierarchy, as explained above, this note summarizes accounting policies for fair value and the other fair value related disclosures are given in relevant notes .

3 Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS Balance Sheet at 1st April 2018 for the purposes of the transition to Ind AS, unless otherwise indicated.

a) Property, Plant & Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost comprises of purchase price including duties and taxes and expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Any gain or loss on disposal of item of an item of property, plant and equipment is recognized in the Statement of Profit and Loss

Depreciation

Depreciation is calculated on cost of item of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the Statement of Profit and Loss.

Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment are estimated by the management which are equal to the life prescribed under Schedule II of the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset. The asset's residual value & useful lives are reviewed & adjusted if appropriate, at the end of each reporting period. Depreciation on additions and disposals is provided on pro rata basis i.e. from/upto the date on which asset is ready for use or disposed off.

b) Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non- current.



A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

c) Financial Assets

i. Recognition and Initial Measurement

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised Cost;
- Fair Value through Other Comprehensive Income (FVOCI) - equity investment ; or
- Fair Value through Profit & Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL :

The asset is held within a business model whose objective is to hold assets to collect contractual cash flows- and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal
 On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at the amortised cost	These assets are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.



Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

iii. Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the statement of profit and loss and are included in other income or expenses.

d) Valuation of Inventories:

Inventories are valued at cost or net realizable value whichever is lower.

**e) Impairment**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

f) Leases**Company as a Lessee**

i. Determining whether an arrangement contains a Lease At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under Leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

iii. Lease Payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**g) Employee Benefits****i. Short-Term Employee Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity liability is a defined benefit obligation and is provided for on the basis of a valuation on projected unit credit method made at the end of each financial year. The Company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC) for future payment of gratuity to employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by the independent actuary. When calculation results in potential asset for the Company, the recognized asset is limited to its present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan (the asset ceiling) in order to calculate present value of economic benefits, consideration is given to any minimum funding requirement.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), the effect of the asset ceiling, (excluding interest) are earnings through Other Comprehensive Income in the period in which they occur.

iii. Defined Contribution Plans

Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company recognizes contribution payable to the scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the respective funds.

iv. Compensated Absences

The employees can carry forward a portion of the utilised accrued compensated absences and utilize it in future service periods or receive cash compensation. Company treats compensated absences, as short-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement.

h) Revenue**i. Sale of Goods**

Revenue from sale of goods is recognized when significant risk and rewards of ownership pass to the buyer, as per the terms of the contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

ii. Revenue from Service

Revenue from Services is recognized in the accounting period in which the services are rendered and when invoices are raised.

iii. Rental Income

Rental Income from property is recognized as part of other income in the Statement of Profit and Loss Account.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

i) Recognition of Dividend Income, Interest Income or Expense

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognized using the effective interest method.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Taxes on Income:

Tax expenses for the relevant period comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The Company recognizes MAT credit available as an asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilized during the specified period, i.e., the period for which such credit is allowed to be utilized. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as non-current asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Deferred tax is recognized, subject to consideration of prudence, on all timing difference between taxable income and accounting income that originate in one period and are capable of being reversed in one or more subsequent periods. The accumulated deferred tax liability is adjusted by applying the tax rates and tax laws applicable at the year-end.

l) Segment Reporting**Identification of segments**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

Allocation of common costs

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head "Unallocated".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**m) Provision, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Expected future operating losses are not provided for.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent Liabilities and Contingent Assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognized in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

n) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

o) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

p) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible(including interest thereon) to known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Events after Reporting Date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.



4 Property, Plant & Equipment

Particulars	Freehold Land	Building	Furniture & Office Equipments	Vehicles	Computers	Total
Gross Carrying Value						
As at 1st April, 2018	3425098	28865465	1997145	817804	576834	35682346
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at 31st March, 2019	3425098	28865465	1997145	817804	576834	35682346
Additions	-	-	-	-	47000	47000
Disposals	500000	-	-	-	-	500000
Other Adjustments	-	-	-	-	-	-
As at 31st March, 2020	2925098	28865465	1997145	817804	623834	35229346
Depreciations						
As at 1st April, 2018	-	10228999	1518671	486735	562728	12797133
Charges for the year	-	428122	64314	100217	9211	601864
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at 31st March, 2019	-	10657121	1582985	586952	571939	13398997
Charges for the year	-	429295	64494	100492	10208	604489
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
As at 31st March, 2020	-	11086416	1647479	687444	582147	14003486
Net Carrying Value						
As at 31st March, 2019	3425098	18208344	414160	230852	4895	22283349
As at 31st March, 2020	2925098	17779049	349666	130360	41687	21225860



5 NON CURRENT INVESTMENTS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Quoted			
Investments - At cost less provision for other than temporary impairment			
Nil (4107000) Ordinary Shares of Rs 10 each fully paid up of The Sirpur Paper Mills Limited	-	-	41070000
Nil (3750) Equity Shares of Rs.10 each fully paid of Hindustan Commercial Investment Trust Limited	-	-	-
Investments - At FVTOCI			
Nil (140) Equity Shares of Rs.10 each fully paid of International Paper APPM Limited	-	62552	40789
Nil (384) 6.75% Tax Free US 64 Bonds of Rs.100 each fully paid of Unit Trust of India	-	38400	38400
TOTAL	-	100952	41149189
Aggregate book value of Quoted Investments	-	100952	41149189
Aggregate market value of Quoted Investments	-	100952	41149189

6 DEFERRED TAX ASSETS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Deferred Tax Assets			
Losses under Income Tax Act	1802259	2288658	3719141
Depreciation	59305	52751	-
Expenditure allowed on payment basis under Income Tax Act	260230	298353	178463
Other Comprehensive Income	137232	142317	158305
	2259026	2782079	4055909

7 OTHER NON CURRENT ASSETS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Mat Credit Entitlement	8256232	1857032	1857032
Security and Other Deposits	1841500	1842430	1848788
Prepaid Expenses	694199	764220	723724
	10791931	4463682	4429544



8 CURRENT INVESTMENTS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Quoted - At FVTOCI			
In Mutual Funds			
HDFC Liquidity Fund - Growth	617864	582335	542603
	617864	582335	542603

9 INVENTORIES OF SHARES & SECURITIES

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Quoted			
Shares & Securities - At FVTPL			
<u>No of Shares</u> <u>Name of the Company</u>			
1600 Atul Glass Products Ltd.	-	72960	72960
10000 Divya Chemicals Ltd.	-	22960	22960
300 Haryana Suraj Malting Ltd.	-	449	449
44 Reliance Industries Ltd. *	-	59983	651
41300 Kings Inter.Aqua Marine Export Ltd	-	20614	20614
8000 Mansarovar Paper & Industries Ltd.	-	11979	11979
700 Norplex Oak India Ltd.	-	8358	8358
350 Orkay Industries Ltd.	-	646	646
7600 Punjab Fibre Ltd.	-	45522	45522
2000 Salem Textiles & Ind. Ltd.	-	23959	23959
133 Shri Chamundeshwari Sugar Ltd.	-	995	995
100 UTI Master Plus	-	1561	1561
200 Vatsa Finance Ltd	-	270	270
340 Volex Finance & Industries Ltd.	-	1690	1690
11 ICICI Bank Ltd.	-	4405	3062
	-	276351	215676
Market Value of quoted shares	-	276351	215676
(Where market value is not available, carrying amount has been taken as market value)			

10 CASH AND CASH EQUIVALENTS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Cash in hand	30205	5796	9262
Balances with Scheduled Banks:			
In Current Accounts	642008	401488	2053197
In Fixed Deposit Accounts (Maturing with 12 months)	4000000	9900000	-
	4672213	10307284	2062459



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

11 LOANS & ADVANCES

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Loans and Advances (Unsecured, considered good) To Others	28497522	25978146	22922381
	28497522	25978146	22922381

12 OTHER CURRENT FINANCIAL ASSETS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Interest accrued on loans	2763707	2519376	3055765
	2763707	2519376	3055765

13 CURRENT TAX ASSETS (NET)

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Income tax payments and tax deducted at source (net of provisions)	-	1517545	1912809
	-	1517545	1912809

14 OTHER CURRENT ASSETS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Other Income Receivables	2912335	921168	461259
Advances to Employees	15120	38089	24075
Other Advances	6496	12022	78353
Prepaid Expenses	26180	24379	27086
	2960131	995658	590953



15 EQUITY SHARE CAPITAL

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Authorised 20000000(20000000) Equity Shares of Rs. 10 each	200000000	200000000	200000000
Issued, Subscribed and Paid Up 15153850(15153850) Equity Shares of Rs.10 each fully paid up	151538500	151538500	151538500
	151538500	151538500	151538500

(a) Reconciliation of Number of Shares outstanding at the beginning and at the end of the year

	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	No of Shares	Amount Rupees	No of Shares	Amount Rupees	No of Shares	Amount Rupees
Opening Balance	15153850	151538500	15153850	151538500	15153850	151538500
Add:Addition during the year	-	-	-	-	-	-
Less:Deduction during the year	-	-	-	-	-	-
Closing Balance	15153850	151538500	15153850	151538500	15153850	151538500

(b) Terms/Rights attached to equity shares

The Company has only one class of Equity Shares having a par value of Rs 10. Each holder of Equity Shares is entitled to one vote per share. There are no restrictions attached to any Equity Shares. The Company declares and pays dividends, if any, in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the respective shareholders.

(c) Details of Bonus Shares

The Company issued 533750 Equity Shares as Bonus Shares in the ratio of 5:1 during the year 1989-90 and 960750 Equity Shares as Bonus Shares in the ratio of 10:3 during the year 1992-93.

(d) Details of Shareholder holding more than 5% Equity Shares in the Company

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	% of holding	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares
Chandra Lekha Poddar	37.74	5718603	33.52	5079603	33.52	5079603



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

16 OTHER EQUITY

	Securities Premium Reserve	NBFC Reserve Fund	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2018	127062200	16427862	-	(315544515)	(172054453)
Profit/(Loss) for the year				(38038986)	(38038986)
Other Comprehensive Income				86002	86002
Balance as at 31st March, 2019	127062200	16427862	-	(353497499)	(210007437)
Profit/(Loss) for the year				43053187	43053187
Other Comprehensive Income				(37002)	(37002)
Total Comprehensive Income for the year				43016185	43016185
Transferred to General Reserve		16427862	16427862		
Balance as at 31st March, 2020	127062200	-	16427862	(310481314)	(166991252)

17 BORROWINGS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Unsecured			
12.5% Fully Convertible Debentures			
2272(2272) Debentures of Rs.125 each	284000	284000	284000
Less: Allotment money in arrears	142000	142000	142000
	142000	142000	142000
Loans repayable on demand			
From Others	34000000	53500000	75350000
Loans from Related Parties	41500000	44325000	29825000
	75642000	97967000	105317000

Fully Convertible Debentures of Rs. 125 each were allotted on 25.01.1993 which were convertible into 5 fully paid up Equity Shares of Rs.10 each at a premium of Rs. 15 per Equity Share after six months of allotment.

18 OTHER FINANCIAL LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Interest accrued on borrowings	6751357	13353060	15509948
	6751357	13353060	15509948



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

19 OTHER CURRENT LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Statutory Dues	775357	806484	578400
Other Liabilities for Expenses	3216695	7192892	2000781
Advances & Deposits	900000	10000000	-
	4892052	17999376	2579181

20 PROVISIONS

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Rupees	Rupees	Rupees
Provision for Leave Encashment	1000883	956258	828412
Provision for Income Tax (Net of payments)	954714	-	-
Provision for Standard Assets as per RBI Prudential Norms	-	-	103913
	1955597	956258	932325

21 REVENUE FROM OPERATIONS

	Year ended 31st March, 2020	Year ended 31st March, 2019
	Rupees	Rupees
Sale of Shares & Securities	82232	-
Service Charges received	5000000	-
Profit on dealing in Shares & Securities	-	16585804
	5082232	16585804

22 OTHER INCOME

	Year ended 31st March, 2020	Year ended 31st March, 2019
	Rupees	Rupees
Interest Income from Financial Assets	3609529	2799307
Interest Income - Other	87218	99136
Dividend Income	297	281
Rental Income	6313586	7059500
Net Gain on disposal of Property, Plant & Equipment	44000000	-
Miscellaneous Income	699234	281629
Sundry Balances Written Back	-	2180
Excess Provision Written Back	10	103913
	54709874	10345946



23 CHANGES IN INVENTORIES OF SHARES & SECURITIES

	Year ended 31st March, 2020	Year ended 31st March, 2019
	Rupees	Rupees
Opening Inventory		
Shares & Securities	276351	215676
Less: Closing Inventory		
Shares & Securities	-	276351
Decrease / (Increase) in Inventory	276351	(60675)

24 EMPLOYEE BENEFIT EXPENSE

	Year ended 31st March, 2020	Year ended 31st March, 2019
	Rupees	Rupees
Salaries, Bonus & Allowances	3526268	3482804
Contribution to Provident & Allied Funds (including Administration Charges)	208753	177749
Contribution to Gratuity Fund	5642	3063
Welfare Expenses	204657	244966
	3945320	3908582

25 FINANCE COST

	Year ended 31st March, 2020	Year ended 31st March, 2019
	Rupees	Rupees
Interest paid on		
Borrowings	7266617	9913808
Others	223	5862
	7266840	9919670

26 DEPRECIATION AND AMORTISATION EXPENSE

	Year ended 31st March, 2020	Year ended 31st March, 2019
	Rupees	Rupees
Depreciation of Property, Plant & Equipment (Refer Note No 4)	604489	601864
	604489	601864



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

27 OTHER EXPENSES

	Year ended 31st March, 2020	Year ended 31st March, 2019
	Rupees	Rupees
Rent	312000	2730400
Rates & Taxes	174579	418608
Insurance	9952	10985
Directors' Meeting Fee	42000	42000
Travelling & Conveyance	188891	189826
Vehicles' Expenses	159574	237922
Printing & Stationery	340303	266663
Postage & Telephone Expenses	899739	864556
Legal & Professional Charges	1214897	1130327
Advertisement Expenses	39331	45720
Electricity & Water Charges	40466	500072
Miscellaneous Expenses	435308	523661
Auditors' Remuneration :		
As Audit Fee	30000	29500
For Tax Audit	5000	5900
For Certification	5000	-
Repairs and Maintenance :		
On Others	177152	765851
Previous Year Adjustment	-	75522
Loss on sale of Non Current Investments	53759	41070000
	4127951	48907513

**28. First-time adoption of Ind AS**

These financial statements, for the year ended 31st March 2020, are the first financial statements the Company that has prepared in accordance with Ind AS. For the periods up to and including the year ended 31st March 2019, the company prepared its financials statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013.

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2020, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2018, the company's date of transition to Ind AS.

This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019.

Exemptions applied**Optional Exemptions Availed :-**

Ind AS 101 allows first-time adopters certain exemption from the restrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

1) Property, Plant and Equipment :-

IND AS 101 permits use of carrying values of property, plant and equipment, intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101, if any) if there has been no change in its functional currency on the date of transition. The Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.

Mandatory Exemptions Availed :-**1) Estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- a) Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.
- b) Determination of the discounted value for financial instruments carried at amortised cost.
- c) Impairment of financial assets based on the expected credit loss model.

2) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

- 29 2272 12.5% Fully Convertible Debentures of Rs.125 each allotted on 25th January, 1993 have not been converted into fully paid equity shares since allotment money has not been received. Additions to subscribed and paid up share capital will be made as and when allotment money is received.
- 30 Accounts relating to allotment money in arrears of Fully Convertible Debentures are not reconciled.
- 31 The Company has not recognized Deferred Tax Asset in respect of losses considering prudence in terms of Accounting Standard 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.
- 32 **Contingent Liabilities**
Sales tax liabilities pending company's appeals/rectifications **Rs. 160969** (Rs. 160969)
- 33 **Employee Benefit**
The Company has a defined benefit gratuity plan. The gratuity plan is governed by The Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with an insurance company in the form of qualifying insurance policy.
The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

	For year ended 31st March, 2020	For year ended 31st March, 2019
I. Net Asset/(Liability) recognised in the Balance Sheet		
As at end of the year		
Present Value of Defined Benefit Obligations (DBO)	1329681	1119637
Fair Value of Plan Assets	2023880	1883857
Funded Status - Surplus	694199	764220
Net Asset/(Liability) recognised in the Balance Sheet	694199	764220
II. Changes in DBO during the year		
Present Value at beginning of the year	1119637	1031455
Current Service Cost	58625	56878
Interest Cost	83973	82516
Actuarial Losses / (Gains)	67446	(51212)
Benefits Paid	-	-
Present Value at the end of the year	1329681	1119637
III. Changes in Fair Value of Plan Assets during the year		
Plan Assets at beginning of the year	1883857	1755179
Actual return on Plan Assets	136956	128678
Contributions	3067	-
Benefits Paid	-	-
Plan Assets at the end of the year	2023880	1883857
IV. Components of Employers' expenses		
Current Service Cost	58625	56878
Interest Cost	83973	82516
Expected return on Plan Assets	(136956)	(128678)
Actuarial Losses / (Gains)	67446	(51212)
Expenses / Income recognised in the Profit & Loss Account	73088	(40496)
V. Actual Contribution and Benefits Payment for the year		
Actual Benefits Payments	-	-
Actual Contributions	3067	-
Discount Rate	6.54%	7.50%
Expected return on Plan Assets	7.27%	9.00%
Salary Escalation	6.00%	6.00%



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

34 Related Party Disclosures

(A) List of Related Parties and Relationships, where control exists and other related parties with whom transaction have taken place during the year.

Name of the Party	Relation	
I. Carma Arts & Crafts Private Limited Devi Developers Private Limited Devi Overseas Private Limited Carma Creative Private Limited Remus India Private Limited Thomas Goode India Private Limited Jahanluxury Exhibitions Private Limited Sisqo Engineering Private Limited	Enterprise in which a Director or his/her relative has significant influence or is a Key Management Personnel	
II. Key Management Personnel Mr. Ranjan Kumar Poddar Mr. Mohit Kaushik * Ms Ruchi Shrivastava ** Mr. Sushil Kumar (* Resigned on 13.06.2019 ** Appointed on 09.09.2019)		Chairman & Managing Director Company Secretary Company Secretary Chief Financial Officer
III. Non Executive Directors and Independent Directors Mr. Devashish Poddar Mrs. Malvika Poddar Mr. Naresh Birla Mr. Suresh Kumar Lakhota Mr. Rakesh Bhartia		Non Executive Director Non Executive Director Independent Director Independent Director Independent Director

(B) Related Party Transactions

Transactions	Enterprise in which a Director or his/her relative has significant influence or is a Key Management Personnel	Directors	Key Management Personnel
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Lease/Rent Income	5786000 (7059500)		
Interest Expenditure		5699478 (3438770)	
Rent, Office Maintenance and Telephone Expenses	-		
Remuneration paid			1102230 (1260019)
Sitting Fees		42000 (42000)	
Loans Received	-	9000000 (14500000)	
Loans repaid	-	11825000 (-)	
<u>Balances outstanding as on 31.3.2020</u>			
Outstanding/receivables (debit)	2748441 (45711)		
Outstanding/payable (credit)	-	44654410 (50024478)	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

35 Basic and diluted earnings per equity share	For year ended 31st March, 2020	For year ended 31st March, 2019
Net Profit/(Loss) after tax	Rs 43053187	(Rs 38038986)
Weighted average number of equity shares	15153850	15153850
Basic and diluted earnings per equity share	Rs. 2.84	Rs. (2.51)
36 Segment Reporting	For year ended 31st March, 2020	For year ended 31st March, 2019
I Segment Revenues :		
a) Shares & Securities	82232	16585804
b) Financial & Other Advisory Services	5000000	-
	<u>5082232</u>	<u>16585804</u>
Less: Inter Segment Revenue	-	-
	<u>5082232</u>	<u>16585804</u>
c) Other Income	54709874	10345946
Total	<u>59792106</u>	<u>26931750</u>
II. Segment Results before Tax		
a) Shares & Securities	(247581)	(24423241)
b) Financial & Other Advisory Services	5000000	-
Total	<u>4752419</u>	<u>(24423241)</u>
Less : Interest	7266840	9919670
	<u>(2514421)</u>	<u>(34342911)</u>
Unallocable items :		
Other unallocable expenditure	8624000	(12347958)
Other unallocable income	54709576	10345665
Profit/(Loss) before Tax	<u>43571155</u>	<u>(36345204)</u>
III. Segment Assets :		
a) Shares & Securities	617863	959638
b) Unallocable assets	73170390	70847119
Total	<u>73788253</u>	<u>71806757</u>
IV. Segment Liabilities :		
a) Unallocable liabilities	6847649	18955634
b) Unallocated Unsecured Loans	82393357	111320060
Total	<u>89241006</u>	<u>130275694</u>

Note : Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amount allocated on a reasonable basis. The expenses / incomes which are not directly relatable to the business segment, are shown as unallocable expenditure and unallocable income. Assets and Liabilities that can not be allocated between the segments are shown as unallocated assets and liabilities respectively.

37 Quantitative Details	Opening Stocks		Purchases		Sales		Closing Stocks	
	Qty.	Amount Rupees	Qty.	Amount Rupees	Qty.	Amount Rupees	Qty.	Amount Rupees
Shares & Nos.	72678	276351	-	-	72678	82232	-	-
Securities	(72639)	(215676)	(39*)	(-)	(-)	(-)	(72678)	(276351)

* Bonus Share Received

The notes referred to above form an integral part of the Financial Statements

As per our report of even date attached.

For RAJAN GOEL & ASSOCIATES

Chartered Accountants

(Firm Registration No. 004624N)

sd/-
RAJAN KUMAR GOEL
Proprietor
Membership No.083829

sd/-
Ruchi Shrivastava
Company Secretary

sd/-
Sushil Kumar
Chief Financial Officer

For and on behalf of the Board
sd/-

Ranjan Kumar Poddar
Chairman & Managing Director
sd/-

Devashish Poddar
Malvika Poddar
Rakesh Bhartia
Suresh Kumar Lakhotia
Naresh Birla
Directors

Place : Gurgaon
Dated: 27th July 2020



RECONCILIATION OF EQUITY AS AT 1ST APRIL, 2018 AND 31ST MARCH, 2019

	Note No	As at 31st March, 2020 Rupees	Previous GAAP Rupees	Adjustments Rupees	As at 31st March, 2019 Rupees	Previous GAAP Rupees	Adjustments Rupees	As at 1st April, 2018 Rupees
ASSETS								
1) Non-Current Assets								
(a) Property, Plant & Equipment	4	21225860	22283349		22283349	22885213		22885213
(b) Financial Assets								
Investments	5		53071	47881	100952	41123070	26119	41149189
(c) Deferred Tax Assets	6	2259026	2639762	142317	2782079	3897604	158305	4055909
(d) Other Non Current Assets	7	10791931	3699462	764220	4463682	3705820	723724	4429544
Total Non-Current Assets	(A)	34276817	28675644	954418	29630062	71611707	908148	72519855
2) Current Assets								
(a) Financial Assets								
Investments	8	617864	453875	128460	582335	453875	88728	542603
Inventories of Shares & Securities	9	-	215652	60699	276351	215667	9	215676
Cash and Cash Equivalents	10	4672213	10307284		10307284	2062459		2062459
Loans & Advances	11	28497522	25978146		25978146	22922381		22922381
Others	12	2763707	2519376		2519376	3055765		3055765
(b) Current Tax Assets (Net)	13	-	1517545		1517545	1912809		1912809
(c) Other Current Assets	14	2960131	995658		995658	590953		590953
Total Current Assets	(B)	39511437	41987536	189159	42176695	31213909	88737	31302646
TOTAL ASSETS (A)+(B)		73788254	70663180	1143577	71806757	102825616	996885	103822501
EQUITY AND LIABILITIES								
1) Equity								
(a) Equity Share Capital	15	151538500	151538500		151538500	151538500		151538500
(b) Other Equity	16	(166991252)	(211151014)	1143577	(210007437)	(173051338)	996885	(172054453)
Total Equity	(A)	(15452752)	(59612514)	1143577	(58468937)	(21512838)	996885	(20515953)
2) Current Liabilities								
(a) Financial Liabilities								
Borrowings	17	75642000	97967000		97967000	105317000		105317000
Other Financial Liabilities	18	6751357	13353060		13353060	15509948		15509948
(b) Other Current Liabilities	19	4892052	17999376		17999376	2579181		2579181
(c) Provisions	20	1955597	956258		956258	932325		932325
Total Current Liabilities	(B)	89241006	130275694		130275694	124338454		124338454
TOTAL EQUITY AND LIABILITIES (A)+(B)		73788254	70663180	1143577	71806757	102825616	996885	103822501

As per our report of even date
For RAJAN GOEL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004624N)

sd/-
RAJAN KUMAR GOEL
Proprietor
Membership No.083829
Place : Gurgaon
Dated: 27th July 2020

sd/-
Ruchi Shrivastava
Company Secretary

sd/-
Sushil Kumar
Chief Financial Officer

For and on behalf of the Board
sd/-
Ranjan Kumar Poddar
Chairman & Managing Director
sd/-
Devashish Poddar
Malvika Poddar
Rakesh Bhartia
Suresh Kumar Lakhotia
Naresh Birla



RECONCILIATION OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2019

	Note No	Previous GAAP Rupees	Adjustments Rupees	For the year ended 31st March, 2019 Rupees
INCOME :				
Revenue from Operations	21	16585804	-	16585804
Other Income	22	10345946	-	10345946
Total Income		26931750	-	26931750
EXPENSES :				
Changes in Inventories of Shares & Securities	23	15	(60690)	(60675)
Employee Benefits Expense	24	3908582	-	3908582
Finance Costs	25	9919670	-	9919670
Depreciation and Amortisation Expenses	26	601864	-	601864
Other Expenses	27	48907513	-	48907513
Total Expenses		63337644	(60690)	63276954
Profit / (Loss) before Exceptional Items and Tax		(36405894)	60690	(36345204)
Exceptional Items		-	-	-
Profit / (Loss) before Tax		(36405894)	60690	(36345204)
Tax Expenses				
Current Tax		435940		435940
Deffered Tax		1257842		1257842
Profit / (Loss) for the year		(38099676)	60690	(38038986)
Other Comprehensive Income				
(i) Items that will not be reclassified to Profit & Loss				
a) Fair value of investment in Mutual Fund routed through Other Comprehensive Income		-	61495	61495
b) Remeasurement of Defined Benefit		-	40496	40496
		-	101991	101991
(ii) Income Tax relating to Items that will not be reclassified to Profit & Loss		-	15989	15989
Total Other Comprehensive Income		-	86002	86002
Total Comprehensive Income for the year		(38099676)	146692	(37952984)

As per our report of even date
For RAJAN GOEL & ASSOCIATES
Chartered Accountants
(Firm Registration No. 004624N)

sd/-
RAJAN KUMAR GOEL
Proprietor
Membership No.083829
Place : Gurgaon
Dated: 27th July 2020

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Suresh Kumar Lakhota
Naresh Birla
Directors