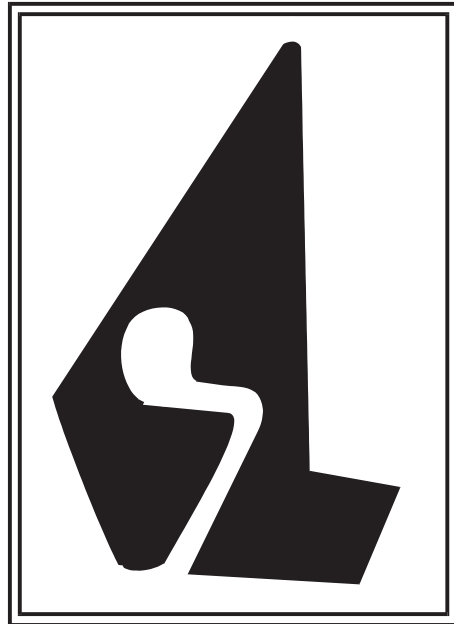


ARAVALI SECURITIES & FINANCE LIMITED



36TH ANNUAL REPORT 2015-2016



ARAVALI SECURITIES & FINANCE LIMITED

BOARD OF DIRECTORS	<ol style="list-style-type: none">1. Mr. Ranjan Kumar Poddar2. Mr. Devashish Poddar3. Mrs. Malvika Poddar4. Mr. Naresh Birla5. Mr. Ashok Kumar Sharma6. Mr. Suresh Kumar Lakhotia
CHIEF FINANCIAL OFFICER	Mr. Sushil Kumar
COMPANY SECRETARY	Ms. Anuradha Rawat
AUDITORS	Salarpuria & Partners, Chartered Accountants New Delhi.
BANKERS	Punjab National Bank
REGISTERED OFFICE	Institutional Area Plot No. 39, Sector-44 Gurgaon-122003.
CORPORATE OFFICE	311, Rakesh Deep Building, Community Commercial Complex, Gulmohar Enclave Extn, Yusuf Sarai, New Delhi-110049
SHARE & TRANSFER AGENT	M/s. Skyline Financial Services Pvt. Ltd. D-153/A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi-110020. Tel.: 011-26812682, 83



ARAVALI SECURITIES & FINANCE LIMITED

Registered Office: Institutional Area, Plot no. 39, Sector 44, Gurgaon-122003, Haryana

Email: info@aravalisecurities.com Website: www.aravalisecurities.com

Phone no.: +91-124-4888111 Fax: +91-124-4888101

CIN: L67120HR1980PLC039125

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the members of Aravali Securities & Finance Limited will be held on Thursday, the 29th day of September, 2016, at 11.00 a.m. at Community Centre, Sector 9, Gurgaon-122001 (Haryana) to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2016, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Devashish Poddar (DIN:00457349), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as ordinary resolution:

"RESOLVED THAT M/s. Salarpuria & Partners, Chartered Accountants, New Delhi, (Firm Registration No. 302113E), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company."

By Order of the Board of Directors

Place : Gurgaon
Date : 12th August, 2016

Sd/-
Anuradha Rawat
Company Secretary
(ACS-28185)

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/ herself. The proxy need not be a member. The instrument appointing proxy should however be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 24th day of September, 2016 to Thursday, the 29th day of September, 2016 (both days inclusive).
4. Members/Proxies are requested to bring the admission slip duly filled in for attending the Meeting along with their copy of the report and accounts.
5. 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.
6. Electronic copy of the Annual Report for the financial year 2015-16 and notice of 36th Annual General Meeting are being sent to all the Members whose E-mail IDs are being registered with the Company/ Depository participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their E-mail addresses, physical copies of the Annual Report for the financial year 2015-16 and Notice of 36th Annual General Meeting are being sent in the permitted mode.
7. All documents referred to in the accompanying notice will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m to 1.00 p.m upto the date of Annual General Meeting.
8. The Company has entered into agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), for the dematerialisation of securities. The Shareholders can have their shares dematerialised through these depositories.

(Members desiring to have their shares in dematerialised form may send their share certificates through their depository participants, to the Registrar & Share Transfer Agent of the Company namely Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor Okhla Industrial Area, Phase-I, New Delhi-110 020 Tel. No. 011-26812682,83).

9. 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 dematerialised form may contact their depository participants for recording of the nomination for their holding.
10. 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.
11. 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.

12. **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through Polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.



- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 26th September, 2016 (9:00 a.m.) and ends on 28th September, 2016 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open the attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Aravali Securities & Finance Limited"
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at kumarcs7@gmail.com with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
 - i) The user ID and initial password for remote e-voting is provided on the covering letter enclosed with the Annual Report.
 - ii) Please follow steps from sl. no. (ii) to (xi) under heading A above to vote through e-voting platform.
- 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.nsd.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
- X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2016, may obtain the login ID and password by sending

a request at evoting@nsdl.co.in or companysecretary@aravalisecurities.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Polling paper.
 - XIII. Mr. Nitesh Kumar Sinha, Practising Company Secretary (ICSI CP Registration No. 7648) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - XVI. 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.
13. 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	Mr. Devashish Poddar
Directors Identification Number	00457349
Date of Birth	15.09.1972
Date of Appointment	13.05.2010
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	Devi Developers Pvt. Ltd. Devi Business Hotels Pvt. Ltd. Boutique Hotels India Pvt. Ltd.
Committee position held in other Companies	Nil

By Order of the Board of Directors

Place : Gurgaon
Date : 12th August, 2016

Sd/-
Anuradha Rawat
Company Secretary
(ACS-28185)



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take the pleasure in presenting their Report and Audited Financial Statement of the Company along with Auditors' Report thereon for the year ended 31st March, 2016.

WORKING RESULTS

	2015-16 (Rupees in lakhs)	2014-15 (Rupees in lakhs)
Profit/(Loss) before interest, depreciation and taxes	65.51	(112.58)
Less : Interest	100.95	166.55
Profit/(Loss) before depreciation, NPA's and Taxes	(35.44)	(279.13)
Less : Depreciation	10.70	10.70
Profit/(Loss) Before Tax & Provisions	(46.14)	(289.83)
Less: Provision for Diminution in value of Investment	2394.20	-
Profit/(Loss) Before Tax	(2440.34)	(289.83)
Less : Provision for Income Tax		
Current Tax	-	-
Deferred Tax In respect of earlier years	0.31	1.36
Profit/ (Loss) after Tax	(2440.65)	(291.19)
Add: Balance brought forward from previous year	(606.86)	(311.96)
Less: Adjustment relating to Fixed Assets	-	3.71
CLOSING BALANCE	(3047.52)	(606.86)

DIVIDEND

Your directors are not recommending any payment on account of dividend

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of the business of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

A. FINANCIAL REVIEW

Your Company has a loss of Rs. 46.14 lakh after depreciation and interest. Further, a provision for income tax in respect of earlier years of Rs. 0.31 lakh has been made in the accounts. The loss of Rs. 3047.52 lakh including brought forward loss of Rs. 606.86 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. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Non Banking Financial Companies (NBFC) sector is still struggling for its growth in India. The NBFC sector is doing much better all over the world as compared to Asian Countries as the general perception about NBFC in the mind of public is still hazy. Other reason may be the excess regulatory requirements by the Reserve Bank of India which constituted a hurdle for its growth in India. Except few NBFC's no other company is working well. This has created a very discouraging situation for the remaining NBFC who have no option except to diversify from its business of financing. Entrance of banks in consumer durable financing as well as in housing finance has brought forth a huge competition and has also added to worst scenario for the NBFC's. This has virtually put a stop on private financing and most of the Non-Banking Finance Companies are out of this business.

D. BUSINESS OVERVIEW

Your company being classified as an Investment Company is doing long term and short term investments. No further opportunity has come to diversify the business of the Company as business of financing is no more lucrative. However your board is in constant look out for the new business avenues which can be taken with the existing business.

E. OPPORTUNITIES AND THREATS

Due to recession all over the world, the Indian economy, though not affected substantially, has suffered and the opportunities have become limited in all sphere of businesses. The financial market has suffered a lot and the business for NBFC's have further reduced. This did not discourage the board of directors of your Company who are constantly looking for an opportunity to expand the business of the Company.

Your Company being in the financial services sector is facing a very stiff competition from public sector as well as private sector banks and financial institutions. It is trying to cope up with the same but is finding it difficult to match up with them in expertise as well as finances available. However, the Company is trying its level best to achieve the same level of competence to meet the challenges thrown in this sector.

F. OUTLOOK

Your Company is still in the process of consolidation and has not decided to enter into new field. It is exploring various business opportunities but nothing concrete has been derived. Barring unforeseen circumstances your directors hope to find some concrete business opportunity to expand the business of the Company.

G. 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. It has not yet decided its future course of activities. The impact of new activity, as and when decided, will be known in the future.

H. 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.

FIXED DEPOSITS:

Your Company does not accept fixed deposits from public and to this effect an undertaking is given to the Reserve Bank of India.

DIRECTORS:

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Devashish Poddar (DIN:00457349), Director of the Company retire by rotation and being eligible offer himself for re-appointment.

The Company received declaration made by the independent directors of the Company that they fulfill the criteria given under Section 149(6) of the Companies Act, 2013 and other applicable provisions.

The Nomination & Remuneration Committee (NRC) shall evaluate the performance of each Director of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors. Evaluation of Independent Directors shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated. The detail process of evaluation and ratings thereon are mentioned in the policy.

SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES

The Sirpur Paper Mills Ltd.	-	Associate Company
Devi Overseas Private Ltd.	-	Associate Company
Devi Developers Private Ltd.	-	Associate Company
Boutique Hotels India Private Ltd.	-	Associate Company

RELATED PARTY TRANSACTIONS

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.

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

AUDITORS AND AUDITOR'S REPORT:

M/s. Salarpuria & Partners, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Auditors in the annexure to their report have drawn attention to the Point No. ii stating that certain shares are not registered in the name of the Company. The same are on account of bad delivery, for which efforts are being made to sort out the same.

Further with respect of Point no. viii, the notes on financial statement referred to in the Auditor Report are self explanatory and do not call for any further comment.

SECRETARIAL AUDIT REPORT:

A Secretarial Audit Report given by Mr. Nitesh Kumar Sinha, Practising Company Secretary (Membership no. F7536) is given in Annexure-A to this report.

INTERNAL AUDITORS :

The Board of Directors of your Company has re-appointed M/s Rajan Goel & Associates, Chartered Accountants, New Delhi (Firm Registration No.004624N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies act, 2013 for the financial year 2016-17.

EXTRACTS OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is given in Annexure-B to 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.

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



VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy of the Company can be accessed at www.aravalisecurities.com.

BOARD EVALUATION

Pursuant to the Provisions of the Companies Act, 2013 and under Securities & Exchange of Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board has carried out an Annual Performance Evaluation of its own performance and all the Directors individually.

The evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting by the Independent Directors.

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, 2016 and the date of this report affecting financial position of the Company.

CORPORATE GOVERNANCE:

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under SEBI (Listing of Obligations and Disclosure Requirements) Regulation 2015 with the Stock Exchanges.

A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is given in Annexure-C to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed 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) the directors 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 at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors 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) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, 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) the directors 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.

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

The Company being engaged in the financial 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.

ACKNOWLEDGEMENT:

Your Company and its Directors wish to extend their sincere thanks for the co-operation received from shareholders, bankers 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 : 12th August, 2016

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

ANNEXURE-A TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2016

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2016

**To,
The Members,
Aravali Securities and Finance Limited
Institutional Area, Plot no. 39,
Sector-44, Gurgaon, Haryana- 122003**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aravali Securities and Finance Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We report that

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Aravali Securities and Finance Limited for the financial year ended on 31st March, 2016 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;Not applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and-Not applicable
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;Not applicable
3. We have also examined Compliance with the other applicable Acts.
- (a) Payment Of Wages Act, 1936, and rules made there under,
- (b) The Minimum Wages Act, 1948, and rules made there under,
- (c) Employees' State Insurance Act, 1948, and rules made there under,
- (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
- (e) The Payment of Bonus Act, 1965, and rules made there under,
- (f) Payment of Gratuity Act, 1972, and rules made there under,
- (g) RBI Act, 1934 and NBFC Compliance
4. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and effective from 01.07.2015.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01.12.2015.
- During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc. mentioned below.
- The Company is engaged in the business of Non-Banking Financial Institution as defined in Section 45I (a) of the Reserve Bank of India Act, 1934. Accordingly, Non-Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms shall be considered as Industry Specific Act as applicable to the Company, in view of the Management and as per the Guidance Note issued by the ICSI. During our audit, the Company comply the all Compliance, but some compliance has delayed.
5. We have relied on the information and representation made by the Company and its Officers for Systems and mechanism formed by the Company for Compliances under applicable Acts, Laws, and regulations to the Company.
6. We further report that
- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.
- (c) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
7. We further report that during the audit period no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.
8. We further report that during the audit period:-
- a) the Members of the Company at its Annual General Meeting held on 29th June, 2015 passed the special resolution(s)-
- (i) Sale of 15,33,333 equity shares of Rs.10 each of Boutique Hotels India Private Limited held by the Company to Mrs. Chandra Lekha Poddar.
- (ii) Sale of 7200 equity shares of Rs. 10 each of Carma Arts & Crafts Private Limited by the Company to Mrs. Chandra Lekha Poddar.

Further, during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of shares/ debentures/sweat equity.
- (ii) Redemption of securities.
- (iii) Merger/Amalgamation/Reconstruction.
- (iv) Foreign technical collaborations.

Place: Gurgaon

Date: 12th August, 2016

For NKS & Company
(Nitesh Kumar Sinha)
Practising Company Secretary
FCS No.: 7536
C P No.: 7648

ANNEXURE-B TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2016

[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	03.07.1980
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	Institutional area, Plot no. 39, 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	Finance	NA	100.00
2	Investment/Trading in securities	NA	0.00

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
1	The Sirpur Paper Mills Ltd. 5-9-22/1/1, 1st Floor, Adarsh Nagar, Hyderabad-500463, Telangana	L21010TG1938PLC000591	Associate	24.18	Section 2(6) of the Companies Act, 2013
2	Devi Overseas Private Ltd. 311, Rakesh Deep Building, Plot No-11, Community Commercial Complex, Gulmohar Enclave Extn, Yusuf Sarai, New Delhi-110049	U18101DL2000PTC107227	Associate	Nil	
3	Devi Developers Private Ltd. 311, Rakesh Deep Building, Plot No-11, Community Commercial Complex, Gulmohar Enclave Extn, Yusuf Sarai, New Delhi-110049	U51109DL2000PTC105889	Associate	Nil	



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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) INDIAN									
a) Individual/ HUF	4759352	0	4759352	31.40	1052260	0	1052260	6.94	-77.89
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)	4759352	0	4759352	31.40	1052260	0	1052260	6.94	-77.89
(2) Foreign									
a) NRIs - Individuals	1372511	0	1372511	9.06	5079603	0	5079603	33.52	270.10
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)	1372511	0	1372511	9.06	5079603	0	5079603	33.52	270.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6131863	0	6131863	40.46	6131863	0	6131863	40.46	0.00
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) FIs	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	1450138	22696	1472834	9.72	1594741	0	1594741	10.52	8.28
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1851720	2325452	4177172	27.57	1906936	2314252	4221188	27.86	1.05
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2907123	153215	3060338	20.20	2526563	153215	2679778	17.68	-12.44
c) Others (specify)									
• NRI	35378	0	35378	0.23	33902	0	33902	0.22	-4.17
• HUF	262520	0	262520	1.73	479048	0	479048	3.16	82.48
• Clearing members	540	0	540	0.00	540	0	540	0.00	0.00
Sub-total (B)(2)	6507419	2501363	9008782	59.45	6541730	2467467	9009197	59.45	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6516124	2505863	9021987	59.54	6550435	2471967	9022402	59.54	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	12647987	2505863	15153850	100.00	12659187	2494663	15153850	100.00	0.00

(ii) Shareholding of Promoters

S. no	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%change in shareholding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to Total shares	
1	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	1372511	9.06	0	5079603	33.52	0	270.00
4	Mr. Devashish Poddar	3707092	24.46	0	0	0.00	0	-100.00

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

S. No		Shareholding at the beginning of the year		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1	Mrs. Chandra Lekha Poddar							
	At the beginning of the year	1372511	9.06	01.04.2016				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	3707092	24.46	09.06.2015	Increase	Transfer	5079603	33.52
	At the End of the year	5079603	33.52					
2	Mr. Devashish Poddar				No. of		shares	% of total shares of the company
	At the beginning of the year	3707092	24.46	01.04.2016				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	3707092	24.46	09.06.2015	Decrease	Transfer	0	0.00
	At the End of the year	0	0					

(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		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rita Sachdeva	748000	4.94	748000	4.94
2	Bishwanath Traders and Investment Ltd.	515479	3.40	515479	3.40
3	Le Roy Securities Pvt. Ltd.	225000	1.48	425000	2.80
4	Anand Kumar Kesari	289053	1.91	288359	1.90
5	Paulastya Sachdev	280000	1.85	280000	1.85
6	Dalip Kumar Sharma and Sons HUF .	0	0.00	200000	1.32
7	Atul Goel	135283	0.89	135283	0.89
8	Dilwara Leasing and Investment Ltd.	133000	0.88	133000	0.88
9	Amit Goel	117313	0.77	130423	0.86
10	Ujwala Khanna	0	0.00	83869	0.55
11	Nupur Sharma	200000	1.32	0	0.00
12	Inder Mohan Sharma	200000	1.32	0	0.00



(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Director/ KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

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 Loans	Deposits	Total Indebtedness
i) Principal Amount	-	1401.92	475.00	1876.92
ii) Interest due but not paid	-	44.38	-	44.38
iii) Interest accrued but not due	-	73.24	-	73.24
Total (i+ii+iii)	-	1519.54	475.00	1994.54
Change in Indebtedness during the financial year	-			
• Addition	-	365.67	-	365.67
• (Reduction)	-	(774.62)	(475.00)	(1249.62)
Net Change	-	(408.95)	(475.00)	(883.95)
Indebtedness at the end of the financial year	-			
i) Principal Amount	-	969.92	-	969.92
ii) Interest due but not paid	-	66.26	-	66.26
iii) Interest accrued but not due	-	74.41	-	74.41
Total (i+ii+iii)	-	1110.59	-	1110.59

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Ranjan Kumar Poddar	
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	Rs. 30 Lakh	

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
		Mr. Naresh Birla	Mr. Ashok Kumar Sharma	Mr. Suresh Kumar Lakhota	
1	Independent Directors				
	Fee for attending board / committee meetings	10000	6000	6000	22000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1) (in Rs.)	10000	6000	6000	22000
2	Other Non-Executive Directors	Mr. Devashish Poddar	Mrs. Malvika Poddar		
	Fee for attending board / committee meetings	2000	2000		4000
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2) (in Rs.)	2000	2000		4000
	Total Managerial Remuneration (in Rs.)				26000
	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.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Ms. Anuradha Rawat	Mr. Sushil Kumar	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	360785	665230	1026015
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	14652	22386	37038
(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	375437	687616	1063053

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	-	-	-	-	-



ANNEXURE-C TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Aravali Securities & Finance Ltd (ASFL) governance philosophy is that the policies and procedures should be so strong that they don't leave any room for mistakes or manipulations. ASFL 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.

ASFL'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.

ASFL 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.

The above belief and core principles of Corporate Governance adopted by ASFL 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:
Composition, Category of Directors and their other directorship as on March 31, 2016.

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

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

Director	No. of Board meetings attended during the year 2015-2016	Last AGM attended	No. of equity shares held
Mr. Ranjan Kumar Poddar	2	No	Nil
Mr. Devashish Poddar	1	No	Nil
Mrs. Malvika Poddar	1	No	Nil
Mr. Suresh Kumar Lakhotia	3	No	Nil
Mr. Ashok Kumar Sharma	3	Yes	Nil
Mr. Naresh Birla	5	Yes	Nil

Note : Note: During the year, five meetings of the Board of Directors were held on 21st May, 2015, 29th June, 2015, 12th August, 2015, 9th November, 2015 and 11th February, 2016.

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. One meeting of Independent Directors was held during the year.

3. BOARD COMMITTEES, MEETINGS AND PROCEDURES

I. AUDIT COMMITTEE

Presently, the Audit Committee comprises of one executive and three non executive directors. The Committee met four times during the year and the attendance of the members at the meeting was as follows:

Name of member	Status	No. of meetings attended
Mr. Naresh Birla	Chairman	4
Mr. Ranjan Kumar Poddar	Member	2
Mr. Ashok Kumar Sharma	Member	2
Mr. Suresh Kumar Lakhotia*	Member	2

*Mr. Suresh Kumar Lakhotia was nominated as Member of Audit Committee at the Board Meeting held on 29th June, 2015.

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



Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Terms of reference of Audit Committee inter alia includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of the Companies Act, 1956/New Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications in draft audit report
- Reviewing with the management the quarterly financial statements before submission to the Board for approval
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
- Discussion with internal auditors, any significant findings and follow-up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board

- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor
- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company

II. NOMINATION AND REMUNERATION COMMITTEE

Presently, the Nomination and Remuneration Committee comprise of three non-executive directors. The Committee met once during the year i.e. May 21, 2015 and the attendance of the members at the meeting was as follows:

Name of member	Status	No. of meetings attended
Mr. Ashok Kumar Sharma	Chairman	1
Mr. Devashish Poddar	Member	Nil
Mr. Naresh Birla	Member	1

The role of the Committee shall, inter-alia, include the following:

- Laying down criteria, to identify persons who are qualified to become directors and who can be appointed in senior management.
- Recommending to the Board, appointment and removal of Directors and senior management.
- Carrying out evaluation of every director's performance.
- Formulating criteria for determining qualification, positive attributes and independence of directors.
- Recommending to Board, a policy relating to remuneration of directors, key managerial personnel and other employees.
- Devising a policy on Board diversity.

Performance Evaluation for Independent Directors:

The criteria for performance evaluation covers the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors



was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

Details of directors' remuneration paid for the year 2015-2016.

(a) Executive Director NIL
(b) Non Executive Directors

Name of Director	Sitting Fees paid during 2015-16
Mr. Devashish Poddar	Rs. 2000
Mr. Naresh Birla	Rs.10000
Mr. Ashok Kumar Sharma	Rs. 6000
Mrs. Malvika Poddar	Rs. 2000
Mr. Suresh Kumar Lakhota	Rs. 6000

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, 2016 comprises of three non-executive directors. 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.

Terms of Reference

- Monitor redressal of investors' / shareholders' / security holders' grievances
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable
 - To look into redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
 - To do all other acts or deeds as may be necessary or incidental thereto. The main object of the committee is to strengthen the investor relations.

During the year, the Committee held two meetings and the attendance of the members was as follows:

Name of Members	Status	No. of meetings attended
Mr. Devashish Poddar	Chairman	1
Mrs. Malvika Poddar	Member	1
Mr. Naresh Birla	Member	2

During the year, one letter/complaint was received from a shareholder. The same was replied/resolved to the satisfaction of the shareholder.

As on date, no requests involving transfer of shares is pending.

In order to expedite the process of shares transfers, the Board has delegated the powers of approving transfer of shares to the Skyline Financial Services Private Ltd., Registrar & Share Transfer Agent of the Company. The delegated Authority is attending to share transfer formalities at least once in a fortnight, as required.

The Company Secretary acts as the Secretary to the Committee.

IV. BUSINESS RISK MANAGEMENT COMMITTEE

The Company has formed a business risk evaluation/ management committee consisting of Mr. Naresh Birla, Independent Director (Chairman), Mr. Ashok Kumar Sharma, Independent Director (Member), Mr. Ranjan Kumar Poddar, Executive Director (Member), Mr. Sushil Kumar, CFO (Member).

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of:

- Oversight of risk management performed by the executive management;
- Reviewing the risk management policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
- Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

4. GENERAL BODY MEETINGS

I. Details of General Body Meetings:

Financial Year	Date	Day	Time	Venue
2014-15	29th June, 2015	Monday	10.00 A.M.	Institutional area, Plot no. 39, Sector 44, Gurgaon-122 003
2013-14	30th September, 2014	Tuesday	11.00 A.M.	Plot No 371 Udyog Vihar, Phase VI, Sector 37, Gurgaon-122 001
2012-13	30th September, 2013	Monday	11.00 A.M.	Plot No 371 Udyog Vihar, Phase VI, Sector 37, Gurgaon-122 001

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

Date	Description of Special Resolutions passed
29th June, 2015	1. Approval of Related Party Transaction with Mrs. Chandra Lekha Poddar 2. Approval of Related Party Transaction with Mrs. Chandra Lekha Poddar
30th Sep., 2014	1. Fixing the limit of borrowing of the Company pursuant to Section 180 of the Companies Act, 2013 2. Approval and adoption of new Articles of Association of the Company

III. For the year ended March 31, 2016 there has been no ordinary or special resolution passed by the Company's Shareholders through postal ballot.

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

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

There were no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

c) Whistle Blower Policy

The Company has formulated Whistle Blower Policy and established a mechanism for Directors and employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the



Company's code of business conduct and ethics 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. Veer Arjun and one English newspaper viz. The Pioneer. 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.

8. General Shareholders Information

1. Annual General Meeting will be held on Thursday, the 29th day of September, 2016 at Community Centre, Sector 9, Gurgaon-122001 (Haryana), at 11.00 A.M.
2. Financial calendar

1st April to 31st March	
First Quarter results	Before 15th August
Annual General Meeting	Second Quarter of the Financial Year
Second Quarter results	Before 15th November
Third Quarter results	Before 15th February
Fourth Quarter results	Before 30th May
3. Dates of book closure 24.09.2016 To 29.09.2016 (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 2016-2017 have been duly paid to BSE Limited.

6. Stock Code

BSE Limited	BSE:512344
ISIN (for Dematerialisation)	INE068C01015

7. Stock Market Price data for the year 2015-16
Share Price on BSE

Month	High (Rs.)	Low (Rs.)
April, 2015	6.95	4.50
May, 2015	6.52	4.21
June, 2015	6.87	5.32
July, 2015	6.55	5.23
August, 2015	6.50	5.61

September, 2015	6.45	5.94
October, 2015	6.41	4.75
November, 2015	5.77	4.40
December, 2015	6.41	4.93
January, 2016	5.00	4.26
February, 2016	4.46	3.36
March, 2016	4.07	3.20

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, 2016

Number of equity shares held	Number of Shareholders	Percentage (%)	Number of equity shares held	Percentage (%)
1 to 5000	14534	90.42	2076942	13.71
5001 to 10000	823	5.12	656116	4.33
10001 to 20000	344	2.14	506853	3.34
20001 to 30000	122	0.76	310235	2.05
30001 to 40000	46	0.29	166659	1.10
40001 to 50000	47	0.29	225879	1.49
50001 to 100000	84	0.52	593127	3.91
100001 and above	73	0.45	10618039	70.07
Total	16073	100.00	15153850	100.00

(b) Categories of Shareholders as on 31st March, 2016

Category	Number of shareholders	(%) of shareholders	Number of equity shares held	(%) of shareholders
i) Promoters & person acting in concert	3	0.02	6131863	40.46
ii) Mutual Funds/ UTI	0	0.00	0	0.00
iii) Public Financial Institution/ Banks	8	0.05	13205	0.09
iv) Non Resident Indians	20	0.12	33905	0.22
v) Other Bodies Corporate	156	0.97	1594741	10.52
vi) Others	15886	98.84	7380136	48.71
Total	16073	100.00	15153850	100.00



10. Dematerialisation of shares and liquidity

Trading in shares of ASFL is permitted only in dematerialised form as per circular issued by the Securities and Exchange Board of India (SEBI) and 83.54% of the Equity shares of the Company have been dematerialised upto 31st March, 2016.

11. The address for correspondence is as mentioned below :

Registered Office

ARAVALI SECURITIES & FINANCE LIMITED
Institutional Area, Plot No. 39, Sector 44,
Gurgaon-122003, Haryana

Place : Gurgaon
Date: 12th August, 2016

By Order of the Board of Directors
Sd/-
Ranjan Kumar Poddar
Chairman & Managing Director
(DIN: 00290949)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Aravali Securities & Finance Limited

We have examined the compliance of conditions of Corporate Governance by Aravali Securities & Finance Limited ('the Company'), for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March, 2016.

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.

For SALARPURIA & PARTNERS
Chartered Accountants
(Registration No.302113E)

Sd/-
KAMAL KUMAR GUPTA
Partner
Membership No. 89190

Place : Camp Gurgaon
Dated : 12th August, 2016.

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, 2016 and to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with 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:
- i) Significant changes in internal control over financial reporting during the year;
 - ii) 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
 - iii) 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 : 12th August, 2016.

Sushil Kumar
Chief Financial Officer

Ranjan Kumar Poddar
Chairman & Managing Director
DIN: 00290949

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, 2016 pursuant to the requirements of Clause 49 of the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Date: 12th August, 2016

For Aravali Securities & Finance Limited

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



INDEPENDENT AUDITORS' REPORT

To the Members of
Aravali Securities & Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ARAVALI SECURITIES & FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016 and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016;
- (b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account:
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 and operating effectiveness of such controls, refer to our separate report in 'Annexure-B'; and
 - 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 1.10
 - 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 SALARPURIA & PARTNERS
Chartered Accountants

Sd/-
KAMAL KUMAR GUPTA
Partner
Membership No. 89190

Place : Camp Gurgaon
Dated : 27th May, 2016.



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, 2016)

- 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 except to the extent of shares not registered in the name of the Company as mentioned in Note 11.
- iii. The Company has given loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013:
 - a. In our opinion and according to the information given to us, the terms and conditions of the loan given by the Company our prima facie, not prejudicial to the interest of the Company.
 - b. The terms of arrangement do not stipulate any repayment schedule and the loan is repayable on demand. However the loan along with interest has been repaid in full and there are no overdue amounts as at the year-end in respect of both principal and interest.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- 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, 2016 which have not been deposited on account of disputes are as under:

Name of the dues	Period	Amount under dispute not yet deposited	Forum before whom pending
Sales Tax	Financial year 1984-85, 1985-86, 2000-01 and 2001-02	Rs. 160969	Asst. Commissioner of Sales Tax (Appeals) Delhi

- viii. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year except sum of Rs. 142000 received from Fully Convertible partly paid up Debentures which were convertible into fully paid up equity shares and which have not been converted pending allotment money in arrears, as mentioned in Note 1.2 & Note 4.
- 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 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. The Company is required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and has obtained registration under the said section.

For SALARPURIA & PARTNERS
Chartered Accountants
(Registration No.302113E)

Sd/-
KAMAL KUMAR GUPTA
Partner
Membership No. 89190

Place : Camp Gurgaon
Dated : 27th May, 2016.



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")

i. We have audited the internal financial controls over financial reporting of Aravali Securities & Finance Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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 SALARPURIA & PARTNERS
Chartered Accountants
(Registration No.302113E)

Sd/-
KAMAL KUMAR GUPTA
Partner
Membership No. 89190

Place : Camp Gurgaon
Dated : 27th May, 2016.

BALANCE SHEET AS AT 31st MARCH, 2016

		As at 31st March, 2016	As at 31st <u>March, 2015</u>
	Notes	Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share Capital	2	151538500	151538500
Reserves and Surplus	3	(161261949)	82803749
		(9723449)	234342249
CURRENT LIABILITIES			
Short Term Borrowings	4	96992000	140192000
Other Current Liabilities	5	17166930	62325144
Short Term Provisions	6	809670	769335
		114968600	203286479
TOTAL		105245151	437628728
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	7	23635002	24672417
Non Current Investments	8	41123070	281022180
Deffered Tax Assets (Net)	9	3897604	3897604
		68655676	309592201
CURRENT ASSETS			
Current Investments	10	453875	1403684
Inventories	11	225077	225755
Cash and Cash Equivalents	12	1111435	45315528
Short Term Loans & Advances	13	27470757	71667232
Other Current Assets	14	7328331	9424328
		36589475	128036527
TOTAL		105245151	437628728
ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS			
	1 to 19		

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

As per our report of even date attached.

For SALARPURIA & PARTNERS

Chartered Accountants
(Registration No 302113E)

For and on behalf of the Board

KAMAL KUMAR GUPTA
Partner
Membership No. 89190

Ranjan Kumar Poddar
Chairman & Managing Director

Ashok Kumar Sharma
Suresh Kumar Lakhotia
Naresh Birla
Directors

Place : Camp Gurgaon
Dated : 27th May, 2016.

Sushil Kumar
Chief Financial Officer

Anuradha Rawat
Company Secretary



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2016

	Notes	For year ended 31st March, 2016	For year ended 31st March, 2015
		<u>Rupees</u>	<u>Rupees</u>
REVENUE			
Revenue from Operations	15	3852057	8825995
Other Income	16	12781965	5088207
TOTAL REVENUE		<u>16634022</u>	<u>13914202</u>
EXPENSES			
Change in Inventory of Stock in Trade	17	678	13019
Employee Benefits Expense	18	3858511	2760271
Finance Costs			
Interest		10095078	16654973
Depreciation		1070315	1069527
Other Expenses	19	6223609	22399115
TOTAL EXPENSES		<u>21248191</u>	<u>42896905</u>
PROFIT/(LOSS) BEFORE TAX & PROVISIONS		(4614169)	(28982703)
Provision for Diminution in Value of Investments		239420310	-
PROFIT/(LOSS) BEFORE TAX		(244034479)	(28982703)
Tax Expenses			
In respect of earlier years		31219	136583
LOSS FOR THE YEAR		(244065698)	(29119286)
EARNINGS PER EQUITY SHARE		(16.11)	(1.92)
Basic and Diluted (in Rs)			
ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS	1 to 19		

The notes referred to above form an integral part of the Financial Statements
As per our report of even date attached.

For SALARPURIA & PARTNERS
Chartered Accountants
(Registration No 302113E)

For and on behalf of the Board

KAMAL KUMAR GUPTA
Partner
Membership No. 89190

Ranjan Kumar Poddar
Chairman & Managing Director

Ashok Kumar Sharma
Suresh Kumar Lakhotia
Naresh Birla
Directors

Place : Camp Gurgaon
Dated : 27th May, 2016.

Sushil Kumar
Chief Financial Officer

Anuradha Rawat
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	<u>Year ended 31st March,2016</u>		<u>Year ended 31st March,2015</u>	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		(244034479)		(28982703)
Adjustment for				
Depreciation	1070315		1069527	
Dividend on Investments	(50)		(46)	
Profit /Loss on fixed assets sold/ discarded (Net)	(4900)		18218048	
Provision for Diminution in value of Investments	239420310		-	
Provision for Standard assets as per RBI Prudential Norms	(100206)		147342	
Profit on Sale of Investment	(9031392)		-	
Interest	10095078		16654973	
Employee's Leave Encashment	140541	241589696	(4689)	36085155
Operating Profit before Working Capital Changes		(2444783)		7102452
Adjustment for				
Trade & Other Receivables	46976459		(58145300)	
Inventories	678		13019	
Trade & Other Payables	(47463298)	(486161)	(36396073)	(94528354)
Cash generated from Operations		(2930944)		(87425902)
Interest paid	(7789994)		(13288854)	
Taxes paid	(715206)	(8505200)	(117088)	(13405942)
NET CASH FLOW FROM OPERATING ACTIVITIES		(11436144)		(100831844)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Fixed Assets	5000		-	
Purchase of Fixed Assets	(33000)		-	
Dividend received on Investments	50		46	
Sale of Investment	10460001		53803324	
Purchase of Investments	-		(12600000)	
NET CASH FLOW FROM INVESTING ACTIVITIES		10432051		41203370
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (Decrease) in Other borrowings		(43200000)	104500000	
NET CASH FLOW FROM FINANCING ACTIVITIES		(43200000)		104500000
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(44204093)		44871526
CASH AND CASH EQUIVALENT AS AT 31-03-2015		45315528		444002
CASH AND CASH EQUIVALENT AS AT 31-03-2016		1111435		45315528

Note :- Figures in bracket represents outflow

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

As per our report of even date attached.

For SALARPURIA & PARTNERS

Chartered Accountants

(Registration No 302113E)

For and on behalf of the Board

Ashok Kumar Sharma

Suresh Kumar Lakhotia

Naresh Birla

Directors

KAMAL KUMAR GUPTA

Partner

Membership No. 89190

Ranjan Kumar Poddar
Chairman & Managing Director

Place : Camp Gurgaon

Dated : 27th May, 2016.

Sushil Kumar
Chief Financial Officer

Anuradha Rawat
Company Secretary



NOTE 1 : ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1.1 ACCOUNTING POLICIES

i) Accounting Concepts

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and in accordance with Accounting Standards as notified by (Accounting Standards) Rules, 2006.

ii) Uses of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

iii) Revenue Recognition

a) All income is accounted on accrual basis.

b) Dividend declared within close of the accounting year are accounted for in respect of shares & securities held by the company.

iv) Expenses

All expenses are accounted on accrual basis.

v) In accordance with guidelines for Prudential Norms issued by the Reserve Bank of India to Non-Banking (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, provision is made for non - performing assets in respect of income and debts/assets

vi) Depreciation

Depreciation is provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

vii) Fixed Assets

Fixed assets are stated at cost less depreciation.

viii) Investments

Long term investments are stated at cost plus incidental expenses thereto. Provision for diminution in value of investments is made by the company to recognise permanent decline, if any, in the value of each investment. Current investments are valued at lower of cost and market value.

ix) Inventories

Shares & Securities - At cost or net realisable value, whichever is lower, script wise

x) Deferred Tax

Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

xi) Employee Benefits

Liability for employee benefits, both short term and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) - 15 "Employees Benefits" as notified by Companies (Accounting Standard) Rules, 2006.

a) Gratuity

The company makes annual contribution to an approved gratuity fund covered by a policy with Life Insurance Corporation of India. The plan assets are sufficient to cover liability for gratuity fully.

NOTE 1 : CONTINUED

b) Contribution to Provident & Other Funds

Contribution to Provident Fund and Employees State Insurance are recognised and expensed on accrual basis.

c) Compensated Absences

Liability for leave is treated as a short term liability and is accounted for on accrual basis

xii) Contingent Liabilities

Contingent liabilities are not provided for and are shown by way of notes in the Notes to Financial Statements.

- 1.2 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.
- 1.3 Accounts relating to allotment money in arrears of Fully Convertible Debentures are not reconciled.
- 1.4 The Company has made provision for Rs 239420310 diminution in value of investments held in The Sirpur Paper Mills Limited (SPM) consequent upon the SPM becoming sick company within the meaning of Sick Companies (Special Provisions) Act, 1985 and has filed a reference before the Board for Industrial and Financial Reconstruction.
- 1.5 Disclosures as required under Accounting Standard (AS) 15 (REVISED)

	<u>For year ended 31st March, 2016</u>	<u>Gratuity</u>	<u>For year ended 31st March, 2015</u>
I. Net Asset/(Liability) recognised in the Balance Sheet			
As at end of the year			
Present Value of Defined Benefit Obligations (DBO)	695532		735211
Fair Value of Plan Assets	1515948		1475203
Funded Status - Surplus	820416		739992
Net Asset/(Liability) recognised in the Balance Sheet	Nil		Nil
II. Changes in DBO during the year			
Present Value at beginning of the year	735211		626441
Current Service Cost	27751		24564
Interest Cost	58817		50115
Actuarial Losses/(Gains)	(48882)		34091
Benefits Paid	(77365)		-
Present Value at the end of the year	695532		735211
III. Changes in Fair Value of Plan Assets during the year			
Plan Assets at beginning of the year	1475203		1352571
Actual return on Plan Assets	117232		121805
Contribution	878		827
Benefits Paid	(77365)		-
Plan Assets at the end of the year	1515948		1475203
IV. Components of employers' expenses			
Current Service Cost	27751		24564
Interest Cost	58817		50115
Expected return on Plan Assets	(117232)		(121805)
Actuarial Losses / (Gains)	(48882)		34091
Expenses / Income Recognised in the Profit & Loss Account	Nil		Nil
V. Actual Contribution and Benefits Payment for the year			
Actual Benefits Payment	(77365)		-
Actual Contribution	878		827
Discount Rate	8%		8%
Expected return on Plan Assets	9%		9%
Salary Escalation	6%		6%



NOTE 1 : CONTINUED

1.6 Related Party Disclosures

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

Name of the Party	Relation
I. The Sirpur Paper Mills Limited	Aravali Securities & Finance Limited is Promoter
II. Boutique Hotels India Private Limited	Associate
Carma Arts & Crafts Private Limited	Associate
Devi Developers Private Limited	Associate
Devi Overseas Private Limited	Associate
Carma Creative Private Limited	Associate
Devi Business Hotels Private Limited	Associate
III. Mrs. Chandra Lekha Poddar	Promoter of the Company
Mr. Devashish Poddar	Director of the Company
Mrs. Malvika Poddar	Director of the Company
M. Key Management Personnel	
Ms. Anuradha Rawat	Company Secretary
Mr. Sushil Kumar	Chief Financial Officer

(B) Related Party Transactions

	Associates	Promotee Company	Promotor/ Director	Key Management Personnel
	Rupees	Rupees	Rupees	Rupees
Lease/Rent Income	1950000	30000 (1422581)		
Interest Income	-	274650 (2241256)		
Interest Expenditure	389425 (1266781)	-	2506433 (665890)	
Rent, Office Maintenance, Fooding and Telephone Expenses		639024 (630744)		
Remuneration paid				1003629 (1059838)
Sale of Investment			9360000 (41553524)	
Finance provided				
Loans given		-		
		(56000000)		
Loans received back	-	18406478 (37593522)		
Finance Received	(6360541)			
Loans Received	5000000 (10000000)		17500000 (14500000)	
Loans repaid	12500000 (-)		7000000 (-)	
<u>Balances outstanding as on 31.3.2016</u>				
Outstanding/receivables (debit)	5000 (-)	-		
		(18636210)		
Outstanding/payable (credit)	5304303 (13640103)		27834378 (15099301)	

NOTE 1 : CONTINUED

1.7 Basic and diluted earning per equity share

	<u>For year ended 31st March, 2016</u>	<u>For year ended 31st March, 2015</u>
Net Loss after tax	(Rs 244065698)	(Rs 29119286)
Weighted average number of equity shares	15153850	15153850
Basic and diluted earnings per equity share	Rs. (16.11)	Rs. (1.92)

1.8 Segment Reporting

	<u>For year ended 31st March, 2016 Rupees</u>	<u>For year ended 31st March, 2015 Rupees</u>
I Segment Revenues :		
a) Shares & Securities	9031441	28046
b) Financing	3852057	8797995
Total	<u>12883498</u>	<u>8826041</u>
II. Segment Results before Tax, Interest & Other Unallocable Items :		
a) Shares & Securities	9030763	(18203021)
b) Financing	3852057	8797995
Total	<u>12882820</u>	<u>(9405026)</u>
Less : Interest	<u>10095078</u>	<u>16654973</u>
	2787742	(26059999)
Unallocable items :		
Other Unallocable Expenditure	(11152435)	(8010865)
Other Unallocable Income	<u>3750524</u>	<u>5088161</u>
Loss before Tax & Provisions	<u>(4614169)</u>	<u>(28982703)</u>
Less: Provision for Diminution in value of investments	<u>(239420310)</u>	<u>-</u>
Loss before Tax	<u>(244034479)</u>	<u>(28982703)</u>
Less : Taxes	31219	136583
Loss after Tax	<u>(244065698)</u>	<u>(29119286)</u>
III. Segment Assets :		
a) Shares & Securities	41802022	282651619
b) Financing	30526603	77343150
c) Unallocable assets	32916526	77633959
Total	<u>105245151</u>	<u>437628728</u>
IV. Segment Liabilities :		
a) Unallocable liabilities	3909997	51332960
b) Unallocated Unsecured Loans	111058603	151953519
Total	<u>114968600</u>	<u>203286479</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.



NOTE 1 : CONTINUED

1.9 Disclosure of details as required by Para 13 of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2008

Particulars	Amount Outstanding	Amount Overdue
	Rupees	Rupees
1 Loans and advances availed by NBFC inclusive of interest thereon but not paid		
a) Debentures		
Secured	-	-
Unsecured fully convertible debentures	142000	*
b) Inter-corporate loans and borrowings	110916603	7440656
* Pending conversion into shares due to non-receipt of allotment money		
2 Break up of Loans given (inclusive of interest accrued)		
a) Secured	-	-
b) Unsecured	30526603	-
3 Break up of Investments (Net of diminution in value of investments)		
a) Current Investments		
1) Quoted		
- Equity Shares	225077	
- Units of Mutual Funds	453875	
b) Long Term Investments		
1) Quoted		
- Equity Shares	41084670	
- UTI Bonds	38400	
2) Unquoted		
- Equity Shares	-	
- Preference Shares	-	
4 Borrower group-wise classification of all assets financed as in 2 above	Amount Net of Provisions	
	Secured	Unsecured
a) Related Parties		Total
1) Subsidiaries	-	-
2) Companies in the same group	-	-
3) Other related parties	-	-
b) Other than related parties	-	30526603
Total	-	30526603
5 Investor group-wise classification of all investments (current and long term)	Market Value Break up Value or Fair Value or NAV	Book Value (net of provisions)
a) Related Parties		
1) Subsidiaries	-	-
2) Companies in the same group	-	-
3) Other related parties	41070000	41070000
b) Other than related parties	773442	732023
Total	41843442	41802023

NOTE 1 : CONTINUED

6 Other Information

a) Gross Non Performing Assets	
1) Related parties	-
2) Other than related parties	-
b) Net Non Performing Assets	
1) Related parties	-
2) Other than related parties	-
c) Assets acquired in satisfaction of debt	-

1.10 Contingent Liabilities

Sales tax liabilities pending company's appeals/rectifications	Rs. 160969	(Rs. 160969)
----------------------------------------------------------------	------------	--------------

1.11 Quantitative Details

Name of item	Unit	Opening Stocks		Purchases (Less Returns)		Sales (Less Returns)		Closing Stocks	
		Qty.	Amount Rupees	Qty.	Amount Rupees	Qty	Amount Rupees	Qty	Amount Rupees
Shares & Securities	Nos.	77038 (77086)	225755 (238774)	-	-	-	-	77038 (77038)	225077 (225755)

* Received upon splitting of shares .

1.12 Additional Information pursuant to Part IV to Schedule VI of the Companies Act, 1956.

i. Registration Details			
Registration No.	:	039125	State Code : 05
Balance Sheet Date	:	31 03 2016	
		Date Month Year	
ii. Capital raised during the year (Amount in Rs. Thousands)			
Public Issue	:	NIL	Right Issue : NIL
Bonus Issue	:	NIL	Private Placement : NIL
iii. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	:	105245	Total Assets : 105245
Sources of Funds :			
Paid-up Capital	:	151538	Reserves and Surplus : (161261)
Secured Loans	:	NIL	Unsecured Loans : 96992
Current Liabilities	:	17976	
Application of Funds :			
Net Fixed Assets	:	23635	Investments : 41123
Current Assets	:	36589	Miscellaneous Expenditure : NIL
Deferred Tax Assets	:	3898	
iv. Performance of the Company (Amount in Rs. Thousands)			
Turnover	:	16634	Total Expenditure : 260668
Profit before Tax	:	(244034)	Profit after Tax : (244066)
Earning per Share in Rs.	:	(16.11)	Dividend Rate ; NIL



NOTE 1 : CONTINUED

v. Generic Names of three Principal Products/Services of the Company (as per monetary terms)

PRODUCT DESCRIPTION	ITEM CODE NO.
a) Finance	Not Applicable
b) Investment / Trading in securities	Not Applicable

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

As per our report of even date attached.

For SALARPURIA & PARTNERS

Chartered Accountants
(Registration No 302113E)

For and on behalf of the Board

KAMAL KUMAR GUPTA
Partner
Membership No. 89190

Ranjan Kumar Poddar
Chairman & Managing Director

Ashok Kumar Sharma
Suresh Kumar Lakhotia
Naresh Birla
Directors

Place : Camp Gurgaon
Dated : 27th May, 2016.

Sushil Kumar
Chief Financial Officer

Anuradha Rawat
Company Secretary

NOTE 2 : SHARE CAPITAL

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
AUTHORISED		
20000000(20000000) Equity Shares of Rs. 10 each	200000000	200000000
ISSUED, SUBSCRIBED AND PAID UP		
15153850(15153850) Equity Shares of Rs.10 each fully paid up	151538500	151538500

a) Shareholders holding more than 5% of shares

Name of the shareholder	As at 31st March 2016		As at 31st March 2015	
	No of shares	% of holding	No of shares	% of holding
Devashish Poddar	-	-	3707092	24
Chandra Lekha Poddar	5079603	33	1372511	9

- b) There are no shares issued for consideration other than cash in last 5 years. However 1494500 Equity Share out of issued, subscribed and paid up share capital were allotted as fully paid-up Bonus Shares by capitalisation of Reserves and Surplus in Profit and Loss Account in earlier years.
- c) 10990600 Equity Shares out of issued subscribed and paid up share capital were allotted on conversion of convertible debentures in earlier years.
- d) The number of issued, subscribed and fully paid up shares remained unchanged during the year as there were no buyback or issue of share capital.
- e) 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.

NOTE 3 : RESERVES AND SURPLUS

	As at 31st March, 2015	Addition during the year	As at 31st March, 2016
	Rupees	Rupees	Rupees
Securities Premium Reserve	127062200	-	127062200
NBFC Reserve Fund	16427862	-	16427862
Profit and Loss Account	(60686313)	(244065698)	(304752011)
	<u>82803749</u>	<u>(244065698)</u>	<u>(161261949)</u>



NOTE 4 : SHORT TERM BORROWINGS

		<u>As at 31st March, 2016</u>	<u>As at 31st March, 2015</u>
		Rupees	Rupees
UNSECURED			
12.5% Fully Convertible Debentures			
2272 (2272) Debentures of Rs.125 each	284000		
Less: Allotment money in arrears	<u>142000</u>	142000	142000
Intercorporate Loans			
From Related Parties		30000000	27000000
From Others		66850000	113050000
		<u>96992000</u>	<u>140192000</u>

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

NOTE 5 : OTHER CURRENT LIABILITIES

		<u>As at 31st March, 2016</u>	<u>As at 31st March, 2015</u>
		Rupees	Rupees
Interest accrued and due on borrowings		7440656	7323768
Interest accrued but not due on borrowings		6625947	4437751
Advances and Deposits		-	47500000
Statutory Dues		1081384	1126195
Other Liabilities for expenses		2018943	1937430
		<u>17166930</u>	<u>62325144</u>

No amount is due to micro and small enterprises

NOTE 6 : SHORT TERM PROVISIONS

		<u>As at 31st March, 2016</u>	<u>As at 31st March, 2015</u>
		Rupees	Rupees
Provision for Leave Encashment		718090	577549
Provision for Standard Assets as per RBI Prudential Norms		91580	191786
		<u>809670</u>	<u>769335</u>

NOTE 7 : FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET CARRYING VALUE		
	As at 31st March, 2015 Rupees	Additions during the year Rupees	Sold during the year Rupees	As at 31st March, 2015 Rupees	During the year Rupees	Adjustments On Sales Rupees	Upto 31st March, 2016 Rupees	As at 31st March, 2015 Rupees	As at 31st March, 2016 Rupees
42 Land	3425098	-	-	3425098	-	-	-	3425098	3425098
Building	28865465	-	-	28865465	958442	-	9222230	19643235	20601677
Vehicles	817804	-	-	817804	100492	-	286301	531503	631995
Furniture & Office Equipments	1451787	-	-	1451787	6342	-	1445582	6205	12547
Computers	565268	33000	33434	564834	5039	33334	535873	28961	1100
TOTAL	35125422	33000	33434	35124988	1070315	33334	11489986	23635002	24672417
	(35125422)	(-)	(-)	(35125422)	(9012938)	(-)	(10453005)	(24672417)	(26112484)



NOTE 8 : NON CURRENT INVESTMENTS

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
NON - TRADE (AT COST)		
(I) (Unquoted)		
In Associate		
- (7200) Equity Shares of Rs.10 each fully paid of Carma Arts & Crafts Private Limited.	-	478800
TOTAL (I)	<u>-</u>	<u>478800</u>
(II) (Quoted)		
In Promotee Company		
4107000 (4107000) Ordinary Shares of Rs.10 each fully paid of The Sirpur Paper Mills Limited	280490309	280490309
In Others		
3750 (3750) Equity Shares of Rs. 10 each fully paid of Hindustan Commercial Investment Trust Limited	25000	25000
140 (140) Equity Shares of Rs. 10 each fully paid of International Paper APPM Limited	14671	14671
384 (384) 6.75% Tax Free US 64 Bonds of Rs. 100 each fully paid of Unit Trust of India	38400	38400
TOTAL (II)	280568380	280568380
TOTAL A (I + II)	280568380	281047180
Less : Diminution in value of Investments	239445310	25000
	<u>41123070</u>	<u>281022180</u>
a) Aggregate value of Quoted Investments	280568380	280568380
Unquoted Investments	-	478800
b) Market value of Quoted Investments	41143532	48914814
c) Undertaking for non disposal of 4107000 Ordinary Shares of Rs.10 each of The Sirpur Paper Mills Limited has been given to financial institution against sanction of term loan to the said company.		

NOTE 9 : DEFERRED TAX ASSETS (NET)

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Deferred Tax Liability :		
Depreciation	-	-
	<u>-</u>	<u>-</u>
Deferred Tax Assets		
Losses under Income Tax Act	3719141	3719141
Disallowances under Income Tax Act	178463	178463
	3897604	3897604
Deferred Tax Assets (Net)	<u>3897604</u>	<u>3897604</u>

NOTE 10 : CURRENT INVESTMENTS

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Quoted		
(At Cost or fair value whichever is less)		
In Mutual Funds		
Morgan Stanley Liquidity Fund	453875	-
HDFC Liquid Fund - Growth	-	1403684
	453875	1403684
NAV of Mutual Fund as on 31st March, 2016	Rs 474826	(Rs1457762)

NOTE 11 : INVENTORIES

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Stock In Trade		
(As per inventories taken, valued at cost or net realisable value, which ever is lower and certified by the management)		
Shares & Securities - Quoted		
<u>No of Shares</u>		
<u>Name of the Company</u>		
1600	72960	72960
Atul Glass Products Ltd.		
10000	22960	22960
Divya Chemicals Ltd.		
300	449	449
Haryana Suraj Malting Ltd.		
5 @	651	651
Indian Petrochemicals Corporation Ltd.		
41300	20614	20614
Kings Inter.Aqua Marine Export Ltd		
8000	11979	11979
Mansarovar Paper & Industries Ltd.		
4400	10103	10103
Modern Insulators Ltd.		
700	8358	8358
Norplex Oak India Ltd.		
350	646	646
Orkay Industries Ltd.		
7600	45522	45522
Punjab Fibre Ltd.		
2000	23959	23959
Salem Textiles & Ind. Ltd.		
133	995	995
Shri Chamundeshwari Sugar Ltd.		
100 @	1561	1561
UTI Master Plus		
200 @	270	270
Vatsa Finance Corporation Ltd.		
340	1690	1690
Volex Finance & Industries Ltd.		
10	2360	3038
ICICI Bank		
	225077	225755
Market Value of quoted Shares	225084	225872
(Where market value is not available, carrying amount has been taken as market value)		
@ Not registered in the name of the company.		

NOTE 12 : CASH AND CASH EQUIVALENTS

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Cash in hand		
(As per book & certified)	8260	26542
Balances with Scheduled Banks:		
In Current Accounts	1103175	45288986
	1111435	45315528



NOTE 13 : SHORT TERM LOANS AND ADVANCES

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Loans and Advances (Unsecured, considered good)		
To Related Parties	-	18406478
To Others	27470757	53260754
	<u>27470757</u>	<u>71667232</u>

NOTE 14 : OTHER CURRENT ASSETS

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Interest accrued on loans	3055846	5675918
Advances recoverable in cash or in kind or for value to be received	60490	415402
Income tax payments and tax deducted at source (net of provisions)	2104175	1420188
Mat Credit Entitlement	1857032	1857032
Security and Other Deposits	250788	55788
	<u>7328331</u>	<u>9424328</u>

NOTE 15 : REVENUE FROM OPERATIONS

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Sale of Shares	-	28000
Interest Income -Tax deducted at source Rs 385206 (Rs 878717)	3852057	8797995
	<u>3852057</u>	<u>8825995</u>

NOTE 16 : OTHER INCOME

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Interest -Tax deducted at source Rs Nil (Nil)	-	96373
Dividend	50	46
Rent -Tax deducted at source Rs 330000 (Rs 465000)	3500000	4722581
Miscellaneous Income	144587	269207
Sundry Balances Written Back	830	-
Profit on Sale of Assets	4900	-
Profit on Sale of Investments	8881200	-
Profit on Sale of Mutual Fund	150192	-
Provision for Standard Assets Written Back	100206	-
	<u>12781965</u>	<u>5088207</u>

Dividend includes Rs NIL (Nil) from Long Term Investments

NOTE 17 : CHANGES IN INVENTORY OF STOCK IN TRADE

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Opening Inventory		
Shares & Securities	225755	238774
Less: Closing Inventory		
Shares & Securities	225077	225755
Increase in Inventory	678	13019

NOTE 18 : EMPLOYEE BENEFITS EXPENSE

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Salaries, Bonus & Allowances	3376590	2480609
Contribution to Provident & Allied Funds (including Administration Charges)	214305	136061
Contribution to Gratuity Fund	2500	2500
Welfare Expenses	265116	141101
	3858511	2760271

NOTE 19 : OTHER EXPENSES

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
Rent	608406	468358
Rates & Taxes	165503	9908
Insurance	17754	18961
Directors' Meeting Fee	26000	24000
Travelling & Conveyance	181565	378130
Vehicles' Expenses	168755	174607
Printing & Stationery	312545	226519
Postage & Telephone Expenses	455270	376768
Legal & Professional Charges	1096527	1639311
Advertisement Expenses	76576	112195
Electricity & Water Expenses	2255858	-
Miscellaneous Expenses	461048	355024
Auditors' Remuneration :		
As Audit Fee	26732	28090
For Tax Audit	5725	5618
For Certification	7023	7023
Repairs and Maintenance :		
On Others	358322	209213
Loss on Sale of Investments	-	18218048
Provision for Standard Assets as per RBI Prudential Norms	-	147342
	6223609	22399115

ARAVALI SECURITIES & FINANCE LIMITED

Regd. Office: Institutional area, Plot no. 39, Sector 44, Gurgaon-122003

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING VENUE

LEDGER FOLIO NO.....

DP ID NO*CLIENT ID NO*

*Applicable to members holding shares in electronic form.

*Member/Proxy Holder Name	*Father's/Husband's Name	Signature (s)

* STRIKE OUT WHICH EVER IS NOT APPLICABLE

I hereby record my presence at the 36th Annual General Meeting of the Company at Community Centre, Sector 9, Gurgaon-122001 (Haryana) on Thursday, the 29th September 2016 at 11.00 A.M.

Signature of Member/Proxy
(To be signed at the time of handing over this slip)

NOTE : SHARE HOLDER/PROXY HOLDERS DESIRING TO ATTEND THE MEETING SHOULD BRING HIS/HER COPY OF ANNUAL REPORT FOR REFERENCE AT THE MEETING.

PROXY FORM

ARAVALI SECURITIES & FINANCE LIMITED

CIN:L67120HR1980PLC039125

Regd. Office: Institutional Area, Plot no. 39, Sector 44, Gurgaon-122003

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014

Name of the member(s)	
Registered address	
E-mail Id	
Folio No./ DP Id/ Client Id	

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

2. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

3. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Thursday, the 29th day of September, 2016 at 11 a.m. at Community Centre, Sector 9, Gurgaon-122001 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Resolution
Ordinary Business	
1	Adoption of Audited Financial Statements for the year ended March 31, 2016
2	Re-appointment of Mr. Devashish Poddar as Director of the Company
3	Appointment of Auditors and fix their remuneration

Signed this.....day of.....2016

Affix Revenue
Stamp

Signature of shareholder

Signature of Proxyholder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.