



Date: 01<sup>st</sup> September, 2023

To,  
The Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001

The Secretary  
The Calcutta Stock Exchange Ltd.  
7, Lyons Range  
Kolkata- 700 001

Dear Sir/Madam,

**Sub.: Notice of Annual General Meeting and Annual Report for the financial year 2022-23**

Dear Sir /Madam,

With regards to the captioned Subject, This is to inform you that the 43<sup>rd</sup> Annual General Meeting (AGM) of the members of Aravali Securities and Finance Limited will be held via Video Conferencing (VC) /Other Audio Visual Means (OAVM) on **Thursday, the 28<sup>th</sup> September, 2023 at 11.00 a.m. (IST)** to transact the business, as set out in the Notice of AGM. In view of the outbreak of COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circulars dated 8th April 2020, 13th April 2020, 5th May 2020, 28th September 2020, 31st December 2020 and 13th January 2021 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as 'MCA Circulars') and SEBI Circular dated 12th May 2020 and 15th January 2021 ('SEBI Circulars') permitted the holding of the AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the above and the relevant provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the AGM of the Company is being held through VC / OAVM only on Thursday at 11:00 a.m. (IST). In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. The soft copies of the Annual Report of the Company for the financial year ended March 31, 2023 and the Notice of the Annual General Meeting is available on the Company's website [www.aravalisecurities.com](http://www.aravalisecurities.com) for download by the members.

NOTICE is hereby given pursuant to Section 91 of the Companies Act, 2013, Rule 10 of the Companies (Management & Administration) Rules, 2014 and Clause 16 of the Listing Agreement that the Register of Members and Share Transfer Books of the Equity Shareholders of the Company will remain closed from Friday, the 22<sup>nd</sup> September, 2023 to Thursday, the 28<sup>th</sup> September, 2023 (both days inclusive) for the purpose of taking record of the shareholders at the Annual General Meeting.

NOTICE is hereby given in compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement that the Company has offered remote e-voting facility for transacting all the business through National Securities Depository Ltd. (NSDL) through their portal [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to enable the members to cast their votes electronically. The remote e-voting period commences on Monday, the 25<sup>th</sup> September, 2023 (9.00 a.m.) and ends on Wednesday, the 27<sup>th</sup> September, 2023 (5.00 p.m.). No e-voting shall be allowed beyond the said date and time. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September, 2023 may cast their vote by remote e-voting.

The detailed procedure intimations for remote e-voting are contained in the Notice of the AGM & also find enclosed herewith Annual Report for the Financial year 2022- 2023.

Kindly take the above information on record and acknowledge receipt of the same.

Thanking you,  
For Aravali Securities & Finance Limited

  
Ruchi Shrivastava  
Company Secretary



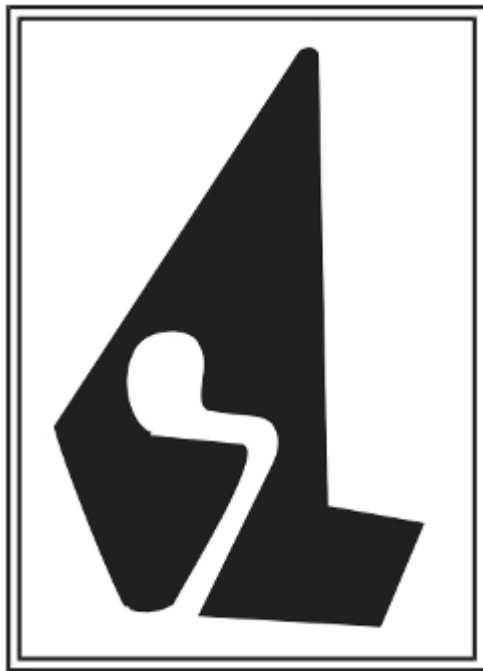
**ARAVALI SECURITIES & FINANCE LIMITED**

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

Phone : +91-124-4284578/4284580/4284582

CIN : L67120HR1980PLC039125 | Website: [www.aravalisecurities.com](http://www.aravalisecurities.com) | Email : [info@aravalisecurities.com](mailto:info@aravalisecurities.com)

**ARAVALI SECURITIES & FINANCE LIMITED**



**43<sup>RD</sup> ANNUAL REPORT 2022-23**



## **ARAVALI SECURITIES & FINANCE LIMITED**

### **BOARD OF DIRECTORS**

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

### **CHIEF FINANCIAL OFFICER**

**MR. SUSHIL KUMAR**

### **COMPANY SECRETARY**

**MS. RUCHI SHRIVASTAVA**

### **INTERNAL AUDITORS**

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

### **STATUTORY AUDITORS**

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

### **SECRETARIAL AUDITORS**

**GAURAV ARORA & CO., PRACTICING COMPANY SECRETARY, NEW DELHI**

### **BANKERS**

**PUNJAB NATIONAL BANK**

### **REGISTERED OFFICE**

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

### **SHARE & TRANSFER AGENT**

**M/S. SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

**D-153/A, 1<sup>ST</sup> FLOOR, OKHLA INDUSTRIAL AREA, PHASE-1, NEW DELHI-110020**



## **NOTICE**

Notice is hereby given that the 43<sup>rd</sup> Annual General Meeting ('AGM') of the members of Aravali Securities & Finance Limited will be held on Thursday, the 28<sup>th</sup> day of September, 2023 at 11:00 a.m. (IST) through Video Conferencing (VC) /Other Audio Visual Means (OAVM) to transact the following businesses:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2023 including audited Balance Sheet as at 31<sup>st</sup> March 2023, Statement of Profit & Loss Account and Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To consider and appoint a director in place of Mr. Devashish Poddar (DIN:00457349), who retires by rotation and being eligible, offers herself for re-appointment.

By Order of the Board of Directors

Sd/-

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

Place: Gurgaon

Date: 12<sup>th</sup> August, 2023

### **NOTES:-**

1. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
3. In accordance with the aforesaid MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), the Notice of the AGM along with the Integrated Annual Report for FY 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories.
4. Since the AGM is being held pursuant to the MCA circulars through VC / OVAM, physical attendance of members has been dispensed with. **Accordingly, the Facility for appointment of proxies will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.**
5. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization, etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the scrutinizer by email through its registered email address to [companysecretary@aravalisecurities.com](mailto:companysecretary@aravalisecurities.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 22<sup>nd</sup> day of September, 2023 to Thursday, the 28<sup>th</sup> day of September, 2023 (both days inclusive).
7. Members may note that the Notice and Annual Report 2022-23 will also be available on the company's website [www.aravalisecurities.com](http://www.aravalisecurities.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
8. 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.

## **ARAVALI SECURITIES & FINANCE LIMITED**

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

Phone : +91-124-4284578/4284580/4284582

CIN : L67120HR1980PLC039125 | Website: [www.aravalisecurities.com](http://www.aravalisecurities.com) | Email : [info@aravalisecurities.com](mailto:info@aravalisecurities.com)



9. Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN) mandates, nominations, power of attorney, bank details such as name of bank and branch details, bank account number, MICR Code, IFSC Code etc, to their Depository Participants, with whom they are maintaining Demat Accounts.
10. Members holding shares in physical form are requested to register / update their postal address, email address telephone/ mobile numbers, PAN, mandates, nominations, power of Attorney, bank details such as name of the bank and branch details, bank accounts number, MICR code, IFSC code, etc., with the Registrar and Transfer Agent [Skyline Financial Services Pvt. Ltd.](http://www.skylinefinancialservices.com) by sending an email to [admin@skylinerta.com](mailto:admin@skylinerta.com).
11. Non – Resident Indian members are requested to inform [Skyline Financial Services Pvt. Ltd.](http://www.skylinefinancialservices.com) immediately on:
  - \*The Change in the residential status on return to India for permanent settlement; and
  - \*The particulars of the bank account(s) maintained in India with complete name branch, and account type, account number and address of the bank, if not furnished earlier.
12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. As mandated by SEBI, effective from April 1, 2019 that securities of listed Companies shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.aravalisecurities.com](http://www.aravalisecurities.com) and on the website of the Company's RTA, [Skyline Financial Services Pvt. Ltd.](http://www.skylinefinancialservices.com) by sending an email to [admin@skylinerta.com](mailto:admin@skylinerta.com). It may be noted that any service request can be processed only after the folio is KYC Compliant.
14. In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
15. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at [www.aravalisecurities.com](http://www.aravalisecurities.com). Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
17. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Monday, 25 September, 2023 at 09:00 A.M. (IST) and ends on Wednesday, 27 September, 2023 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 21 September, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 21 September, 2023.

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

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





##### **Step 1: Access to NSDL e-Voting system**

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:



Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDeAS’</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under <b>‘Shareholder/Member’</b> section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 10px;"> <p><b>NSDL Mobile App is available on</b></p>   <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on



your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

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

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [acs.gauravarora@gmail.com](mailto:acs.gauravarora@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

**In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to National Securities Depository Limited at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)**

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [companysecretary@aravalisecurities.com](mailto:companysecretary@aravalisecurities.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to ([companysecretary@aravalisecurities.com](mailto:companysecretary@aravalisecurities.com)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.





**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**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.	400000
Directorship in other Companies	NIL
Committee position held in other Companies	NIL

**Notes:**

1. The Directorships, Committee Memberships and Chairmanships do not include positions in foreign companies, unlisted companies and private companies, position as an advisory board member and position in companies under Section 8 of the Companies Act, 2013. Information pertaining to remuneration paid to the Directors who are being appointed/re-appointed and number of Board meetings attended by them during the year 2022-23 is provided in the Corporate Governance Report.
2. The proposal for appointment/re-appointment and revision in terms of remuneration of Directors has been approved by the Board pursuant to the recommendation of the Board Governance, Nomination and Compensation Committee considering their skills, experience and knowledge and positive outcome of performance evaluation.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at companysecretary@aravalisecurities.com. The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

By Order of the Board of Directors  
Sd/-

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

Place: Gurgaon

Date: 12<sup>th</sup> August, 2023



## **BOARD'S REPORT**

### **TO THE MEMBERS**

The Board of Directors hereby submits the 43<sup>rd</sup> Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2023.

### **FINANCIAL RESULTS**

The financial performance for the year ended March 31, 2023 is summarized below:

	(₹ in Lakh)	
Particulars	For the Year ended 31 <sup>st</sup> March 2023 (Audited)	For the Year ended 31 <sup>st</sup> March 2022 (Audited)
Total Income	64.66	356.34
<b>Earnings before interest, depreciation, amortisation &amp; taxation</b>	<b>(12.34)</b>	<b>282.24</b>
Interest/finance costs	26.95	50.67
<b>Profit before depreciation and taxation</b>	<b>(39.29)</b>	<b>231.57</b>
Depreciation, amortisation expenses	4.67	4.88
<b>Profit before taxation</b>	<b>(43.97)</b>	<b>226.69</b>
Taxation	(12.10)	61.65
<b>Profit/(Loss) for the year</b>	<b>(31.87)</b>	<b>165.04</b>
Other Comprehensive Income	(2.34)	(2.23)
<b>Total Comprehensive Income for the year</b>	<b>(34.21)</b>	<b>162.81</b>
<b>Loss brought forward from previous year</b>	<b>(2,934.88)</b>	<b>(3097.69)</b>
<b>Balance carried to balance sheet</b>	<b>(2969.08)</b>	<b>(2,934.88)</b>
<b>EPS (₹)</b>	<b>(0.21)</b>	<b>1.09</b>

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

Total Revenue for the year ended March 31, 2023 was at ₹ 64.66 Lakh as against ₹ 356.34 during the preceding year. Loss for the year before interest depreciation and tax & profit after tax stood at ₹ (12.34) Lakh and ₹ (31.87) Lakh respectively.

Total comprehensive income for the year ended March 31, 2023 was ₹ (34.21) Lakh.

Your company is engaged in providing Financial and Other Advisory Services besides dealing in shares and securities. There has been no change in the nature of business of your Company during the financial year 2022-23.

### **SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES**

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

### **CAPITAL STRUCTURE**

During the year under review, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As at March 31, 2023, the Paid-up share capital stood at ₹ 15,15,38,500 comprising of 1,51,53,850 equity shares of ₹10 each, the same as in previous year.

### **DIVIDEND**

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

### **LISTING OF SECURITIES**

The Equity Shares of the Company are presently listed on BSE Limited (BSE) and the Application for delisting of shares of the Company has been moved to Delhi Stock Exchange and Calcutta Stock Exchange. The Annual Listing Fee for the financial year 2022-23 has been paid to BSE Limited.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **A. FINANCIAL REVIEW**

Your Company has total Comprehensive income of ₹ (34.21) lakh after interest, depreciation & tax which together with brought forward losses of ₹ **2,934.88** lakh aggregating to ₹ **(2969.08)** 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.

## **ARAVALI SECURITIES & FINANCE LIMITED**

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

Phone : +91-124-4284578/4284580/4284582

CIN : L67120HR1980PLC039125 | Website: [www.aravalisecurities.com](http://www.aravalisecurities.com) | Email : [info@aravalisecurities.com](mailto:info@aravalisecurities.com)



### C. BUSINESS OVERVIEW AND UPDATES

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

### D. OPPORTUNITIES AND THREATS

Following more than two years of pandemic, Russia's invasion on Ukraine sharply hastened the deceleration of global economic activity. The Year commenced with very soft demand, increasing costs & inflated prices across markets and increased food insecurity and poverty in the global economy.

A Key priority for your company throughout the FY2022-23 remained the safety and well-being of its employees.

### E. OUTLOOK

It prioritized respect by empowering its employees and valuing everyone's contribution. Ensuring employee welfare and safety is a top priority and it has actively engaged in the upliftment of its employees.

### F. RISK AND CONCERNS

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

### G. ADEQUACY OF INTERNAL CONTROL

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

### CAUTIONARY STATEMENT

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

### DEPOSITS FROM PUBLIC

The Company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As per the provisions of Section 152 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 herself for re-appointment.

There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Ranjan Kumar Poddar- Chairman & Managing Director, Mr. Sushil Kumar-Chief Financial Officer and Ms. Ruchi Shrivastava- Company Secretary are the KMPs of the Company as on March 31, 2023.

### DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The independent directors of the Company had their names included in the data bank of independent directors being maintained by the Indian Institute of Corporate Affairs and had also complied with the requirements of the proficiency test under the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

### ANNUAL PERFORMANCE EVALUATION OF THE BOARD

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



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

#### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

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

#### **PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

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

#### **AUDITORS**

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

#### **AUDITOR'S REPORT**

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

There are no qualifications, reservations, adverse remarks or disclaimers made by M/s. Rajan Goel & Associates, Statutory Auditors, in their report for the financial year ended March 31<sup>st</sup>, 2023.

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

#### **CASH FLOW STATEMENT**

In conformity with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2023 as prepared under the provisions of Indian Accounting Standard -7 as notified under Section 133 of the Companies Act, 2013 is attached as a part of the Financial Statement of the Company.

#### **SECRETARIAL AUDIT REPORT**

A Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, given by Mr. Gaurav Arora (Membership No. 48327), Practising Company Secretary is given in Annexure-A to this report.

Further, As required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has proposed the appointment of Mr. Gaurav Arora (Membership no. 48327), Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2023-24.

#### **INTERNAL AUDITORS**

The Board of Directors of your Company has re-appointed M/s V.K. KILA & CO., Chartered Accountants, New Delhi (Firm Registration No. 007772C) as Internal Auditors pursuant to the provisions of Section 138 of the Companies act, 2013 for the financial year 2023-24. The Internal Auditors directly report to the Audit Committee.

#### **CORPORATE GOVERNANCE REPORT**

A separate report on Corporate Governance is enclosed as a part of this Annual Report. The Company has appointed Mr. Gaurav Arora (Membership No. 48327), Practising Company Secretary, to conduct the Corporate Governance Audit of the Company for the Financial Year 2022-23. A Certificate from him regarding compliance with Corporate Governance conditions as stipulated under relevant provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed as Annexure-C to the Report on Corporate Governance.

#### **EXTRACTS OF ANNUAL RETURN:**

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

#### **BUSINESS RISK MANAGEMENT:**

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

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



#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

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

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

#### **MAINTENANCE OF COST RECORDS**

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

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

There has been no material change and commitments occurred, between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2023 and the date of this report affecting financial position of the Company.

#### **ORDERS PASSED BY THE REGULATORS OR COURTS, IF ANY**

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2023 and of the losses of the company for the year ended on March 31, 2023;
- (c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) They had prepared the annual accounts on a going concern basis; and
- (e) They, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF EMPLOYEES**

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

#### **REMUNERATION POLICY**

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

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

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

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

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

#### **ACKNOWLEDGEMENT**

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

Place : Gurgaon

Date : 12<sup>th</sup> August, 2023

By Order of the Board of Directors  
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 31<sup>st</sup> March, 2023

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

To,  
The Members,

ARAVALI SECURITIES AND FINANCE LIMITED  
PLOT NO. 136, GROUND FLOOR, RIDER HOUSE,  
SECTOR-44 GURGAON HARYANA 122003 IN

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 (CIN: L67120HR1980PLC039125)** (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.

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 **31<sup>st</sup> March, 2023** complied with the statutory provisions listed here under and also that the Company has adequate Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- ❖ We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:
  - (a) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (b) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
  - (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (d) Foreign Exchange Management Act, 1999 (FEMA) and rules and regulations made thereunder.
- ❖ 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 (Listing Obligation and Disclosure Requirement) Regulations, 2015.
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable as the Company has not issued any further Share Capital for this Financial Year under review)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable as the Company has not issued and listed any debt securities for this Financial Year under review).**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not applicable as there was no reportable event during the year under review)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **((Not applicable for this Financial Year on the Company).**
- ❖ We further report that having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the company.
- ❖ We have also examined compliance with the applicable clauses of the following:
  - (a) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
  - (b) The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**During the year under review, the company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above. There was no non**



*compliances, and no other Penalties were imposed by the Stock Exchange or SEBI or any other statutory authority for any matter to Capital markets.*

Based on the information received and records maintained, we further report that:

- ❖ We further report that, the company has filed the forms and returns with Ministry of Corporate Affairs / Registrar of Companies under Companies Act 2013 or other authorities under other applicable laws within the prescribed time.
- ❖ We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- ❖ Adequate notice is given to all Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, in case of less than seven days the Company has taken shorter notice consent from Directors / Members of the Board / Committees, 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.
- ❖ All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. All the decisions in the board meetings were carried through by majority while there were no dissenting member's views and hence not captured and recorded as part of the minutes.

We further report that based on the review of Compliance mechanism established by the Company and on the basis of the information provided by the management, we are of the opinion that there are adequate systems and process in place in the Company to ensure the timely Compliances with applicable laws, rules, regulations etc.

- ❖ As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever necessary.
- ❖ We further report that during the audit period there was no following specific events/ actions having a major effect on Company's affairs in pursuance of the above referred laws, rules, guidelines, standards, regulations etc.

Sd/-

**Guarav Arora**  
**(Practicing Company Secretary)**  
**Peer Review Number: 2381/2022**  
**UDIN: A048327E000811091**

**Date: 12<sup>th</sup> August 2023**

**Place: NEW DELHI**



## ANNEXURE-B TO DIRECTORS' REPORT

## FORM NO. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2023

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. no	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Other financial service activities, except insurance and pension funding activities, n.e.c	64990	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding





	Category of Shareholders	Shares Held at the Beginning of the Year 31/03/2022						Shares Held at the ending of the Year 31/03/2023						% Change During Year
		Demat		Physical		Total	% of Total Shares	Demat		Physical		Total	% of Total Shares	
		Fully Paidup	Partly Paidup	Fully Paidup	Partly Paidup			Fully Paidup	Partly Paidup	Fully Paidup	Partly Paidup			
<b>A</b>	<b>Promoters</b>													
<b>1</b>	<b>Indian</b>													
a)	Individual Huf	1052260	0	0	0	1052260	6.94	1052260	0	0	0	1052260	6.94	0.00
b)	Central Govt	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
c)	State Government	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
d)	Bodies Corporate	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
e)	Banks/FI	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
f)	Any Other	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
	<b>Sub-Total (A)(1)</b>	<b>1052260</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1052260</b>	<b>6.94</b>	<b>1052260</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1052260</b>	<b>6.94</b>	<b>0.00</b>
<b>2</b>	<b>Foreign</b>													
a)	NRI Individuals	6459810	0	0	0	6459810	42.63	7215000	0	0	0	7215000	47.61	4.98
b)	Other Individuals	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
c)	Bodies Corporate	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
d)	Banks /FI	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>6459810</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6459810</b>	<b>42.63</b>	<b>7215000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7215000</b>	<b>47.61</b>	<b>4.98</b>
	<b>Total Shareholding of Promoters(A)</b>	<b>7512070</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7512070</b>	<b>49.57</b>	<b>8267260</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8267260</b>	<b>54.56</b>	<b>4.99</b>
<b>B</b>	<b>Public Shareholding</b>													
<b>1</b>	<b>Institutions</b>													
a)	Mutual Funds	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
b)	Banks/FI	8405	0	4500	0	12905	0.09	8405	0	4500	0	12905	0.09	0.00
c)	Central Government	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
d)	State Government	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
e)	Venture Capital Fund	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
g)	FIs	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
h)	Foreign Venture Capital Fund	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
i)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
j)	Alternate Investment Fund(s)	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
k)	Any Other	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>8405</b>	<b>0</b>	<b>4500</b>	<b>0</b>	<b>12905</b>	<b>0.09</b>	<b>8405</b>	<b>0</b>	<b>4500</b>	<b>0</b>	<b>12905</b>	<b>0.09</b>	<b>0.00</b>
<b>2</b>	<b>Non-Institutions</b>													
a)	<b>Bodies Corporate</b>													
1)	Indian	1134670	0	22446	0	1157116	7.64	306240	0	22446	0	328686	2.17	-5.47
2)	Overseas	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
b)	<b>Individuals</b>													
1)	Individual shares holders having nominal share capital upto Rs. 1,00,000	2054527	0	2229193	0	4283720	28.27	2122368	0	2212373	0	4334741	28.60	0.33
2)	Individual shares holders having nominal share capital Excess of Rs. 1,00,000	1735632	0	152565	0	1888197	12.46	1773778	0	140215	0	1913993	12.63	0.17
c)	HUF	236825	0	0	0	236825	1.56	241076	0	0	0	241076	1.59	0.03
d)	Non Resident Indian	28299	0	0	0	28299	0.19	21930	0	0	0	21930	0.14	-0.05
e)	NBFC Registered with RBI	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00



f)	Foreign National	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
g)	Clearing Members	4634	0	0	0	4634	0.03	0	0	0	0	0	0.00	-0.03
h)	Trust	1650	0	0	0	1650	0.01	1650	0	0	0	1650	0.01	0.00
i)	Foreign Corporate Bodies	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
j)	Investor Education and Protection Fund	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
k)	Others	28134	0	0	0	28134	0.19	31309	0	0	0	31309	0.21	0.02
	<b>Sub-Total (B)(2)</b>	<b>5224371</b>	<b>0</b>	<b>2404204</b>	<b>0</b>	<b>7628575</b>	<b>50.34</b>	<b>4498351</b>	<b>0</b>	<b>2375034</b>	<b>0</b>	<b>6873385</b>	<b>45.36</b>	<b>-4.98</b>
	<b>Total Public Shareholding (B)</b>	<b>5232776</b>	<b>0</b>	<b>2408704</b>	<b>0</b>	<b>7641480</b>	<b>50.43</b>	<b>4506756</b>	<b>0</b>	<b>2379534</b>	<b>0</b>	<b>6886290</b>	<b>45.44</b>	<b>-4.99</b>
<b>C</b>	<b>Non-Promoter Non-Public Shareholding</b>													
1)	Shares Held By Custodian for GDRs & ADRs	300	0	0	0	300	0.00	300	0	0	0	300	0.00	0.00
2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	0	0	0	0	0	0.00	0	0	0	0	0	0.00	0.00
	<b>Total Non-Promoter Non-Public Shareholding (C)</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>0.00</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total</b>	<b>12745146</b>	<b>0</b>	<b>2408704</b>	<b>0</b>	<b>15153850</b>	<b>100.00</b>	<b>12774316</b>	<b>0</b>	<b>2379534</b>	<b>0</b>	<b>15153850</b>	<b>100.00</b>	<b>0.00</b>



(ii) Shareholding of Promoters

S. no	Shareholder's Name	shareholding at the beginning of the year 31 March 2022			Shareholding at the end of the year 31 March 2023			
		No. of shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged I encumbered to Total shares	% change in shareholding during the year
1	Mr. Devashish Poddar (HUF)	400000	2.64	0	400000	2.64	0	0.00
2	Mr. Anupam Poddar	652260	4.30	0	652260	4.30	0	0.00
3	Ms. Chandra Lekha Poddar	6459810	42.63	0	7215000	47.61	0	4.98

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

Particulars	Shareholding at the beginning of the year 31 March 2022		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year 31 March 2023	
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
Chandra Lekha Poddar							
At the beginning of the year	6459810	42.63	02 February 2023	Increase by 0.59%	Purchase	6548992	43.22
	6548992	43.22	06 February 2023	Increase by 0.06%	Purchase	6558992	43.28
	6558992	43.28	09 February 2023	Increase by 4.33%	Purchase	7215000	47.61
Date wise Increase I Decrease in Promoters Shareholding during the year specifying the reasons for increase I decrease (e.g. allotment / transfer/ bonus/ sweat equity etc)							
At the End of the year	6459810	42.63		Increase by 4.98%	Purchase	7215000	47.61%

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

S. no.	For each of the Top 10 shareholders	Shareholding at the beginning of the year 31/03/2022		Shareholding at the end of the year 31/03/2023	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anand Kumar Kesari	354140	2.34	300050	1.98
2	Amit Goel	130423	0.86	130423	0.86
3	Manjulata Bhandari	93300	0.62	116752	0.77
4	Ujwala Khanna	83869	0.55	83869	0.55
5	Vishwanath Agarwalla HUF	72977	0.48	72977	0.48
6	Himanshu Ajmera	66150	0.44	66150	0.44
7	Umesh Sharma	61876	0.41	64500	0.43
8	Santosh Kumar Bagla	61836	0.41	61836	0.41
9	Leela Agarwalla	56204	0.37	56114	0.37
10	Chandra Mohan Khurana	36000	0.24	51000	0.34



(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director/ KMP	Shareholding at the beginning of the year 31 March 2022		Cumulative Shareholding during the year 31 March 2023	
		No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year	-	-	-	-
	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 (₹in Lakhs)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured	Total
		Loans	Indebtedness
i) Principal Amount	-	504.42	504.42
ii) Interest due but not paid	-	93.95	93.95
iii) Interest accrued but not due	-	40.19	40.19
<b>Total (i+ii+iii)</b>	-	<b>638.56</b>	<b>638.56</b>
Change in Indebtedness during the financial year	-		
• Addition	-	79.25	79.25
• (Reduction)	-	(352.40)	(352.40)
<b>Net Change</b>	-	<b>(273.15)</b>	<b>(273.15)</b>
Indebtedness at the end of the financial year	-		
i) Principal Amount	-	341.16	341.16
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	24.25	24.25
<b>Total (i+ii+iii)</b>	-	<b>365.41</b>	<b>365.41</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		<b>Mr. Ranjan Kumar Poddar, Chairman &amp; Managing Director</b>	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- - -	- - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	Within the ceiling as per the Companies Act, 2013	



**A. REMUNERATION TO OTHER DIRECTORS:**

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
		Mr. Naresh Birla	Mr. Rakesh Bhartia	Mr. Suresh Kumar Lakhotia	
1	<b>Independent Directors</b>				
	Fee for attending board / committee meetings	10000	8000	10000	28000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1) (in ₹)	10000	8000	10000	28000
2	<b>Other Non-Executive Directors</b>	<b>Mr. Devashish Poddar</b>	<b>Mrs. Malvika Poddar</b>		
	Fee for attending board / committee meetings	10000	6000		16000
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2) (in ₹)	10000	6000		16000
	Total Managerial Remuneration (in ₹)				44000
	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 ₹)**

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Ms. Ruchi Shrivastava	Chief Financial Officer Mr. Sushil Kumar	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,38,560	8,33,952	13,72,512
(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	-	-	-
	<b>Total</b>	<b>5,38,560</b>	<b>8,33,952</b>	<b>13,72,512</b>

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



ANNEXURE-CTO DIRECTORS' REPORT

**CORPORATE GOVERNANCE REPORT**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

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

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

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

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

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

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

**2. BOARD OF DIRECTORS**

- I. Composition of the Board:
- II. During the year the Composition of Board of Directors of the Company has been in conformity with the requirements of Regulation 17 of the Listing Regulations. The Chairman of the Board is an Executive Director. As on 31<sup>st</sup> March 2023, the Board consisted of one (1) Executive Director and five (5) Non-Executive Directors (including three (3) Independent Directors). The Independence of a Director is determined by the criteria stipulated under Regulation 16 of the Listing Regulations and also under Section 149 of the Companies Act, 2013. The Board represents an optimal mix of professionalism, knowledge and experience.

**Composition, Category of Directors and their other directorship as on March 31, 2023:**

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	Nil	Nil	Nil
Mr. Devashish Poddar, Director	Non-Executive	Promoter Associate	Nil	Nil	Nil
Mrs. Malvika Poddar, Director	Non-Executive	Promoter Associate	Four	Nil	Nil
Mr. Suresh Kumar Lakhotia, Director	Non-Executive	Independent	Nil	Nil	Nil
Mr. Rakesh Bhartia, Director	Non-Executive	Independent	Eight	Nil	Nil
Mr. Naresh Birla, Director	Non-Executive	Independent	Nil	Nil	Nil

**Notes:**

1. None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a Member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a director. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2023 have been made by the Directors.
2. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.
3. Other directorships do not include directorships of Foreign Companies and Companies under Section 8 of the Act. Chairmanships/ Memberships of the Board Committees shall only include Audit Committee and Stakeholders' Relationship Committee.
4. The Company has proper systems to enable the Board of Directors to periodically review compliance reports of all laws applicable to the Company.
5. The maximum time gap between two meetings did not exceed 120 days.



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

Director	No. of Board meetings attended during the year 2022-23	Last AGM attended	No. of equity shares held
Mr. Ranjan Kumar Poddar	5	Yes	Nil
Mr. Devashish Poddar	5	Yes	400000 (HUF)
Mrs. Malvika Poddar	3	Yes	Nil
Mr. Suresh Kumar Lakhota	5	Yes	Nil
Mr. Rakesh Bhartia	4	Yes	Nil
Mr. Naresh Birla	5	Yes	Nil

**Note :** During the year, Five (5) meetings of the Board of Directors were held on 25<sup>th</sup> May, 2022, 10<sup>th</sup> August 2022, 14<sup>th</sup> November, 2022, 30<sup>th</sup> January, 2023 and 30<sup>th</sup> March, 2023.

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 familiarization program imparted during the year under review to the Independent Directors is placed on the Company's website viz., [www.aravalisecurities.com](http://www.aravalisecurities.com)

V. Meeting of Independent Director

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Chairman and Managing Director. During the year, one meeting of Independent Directors was held on 30<sup>th</sup> March 2023 for reviewing the performance of each of the Non-independent Directors and the Board as a whole and assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

### 3. BOARD COMMITTEES, MEETINGS AND PROCEDURES

#### I. AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations and as a measure to good Corporate Governance and to provide assistance to the Board of Directors in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company, an Audit Committee has been constituted. The terms of reference of the Audit Committee includes all the matters prescribed under the applicable provisions of Companies Act, 2013 and the Listing Regulations and the Audit Committee considers and reviews other matters also, which are referred to it from time to time by the Board or it considers appropriate for discharge of its various functions. The Committee acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors of the Company. The Audit Committee is responsible for effective supervision of the financial reporting process, the appointment, independence, performance and remuneration of the Statutory Auditors and Internal Auditors ensuring financial and accounting controls and compliance with the financial and accounting policies of the Company. The Committee reviews the financial statements and Quarterly and Annual Results with special emphasis on accounting policies and practices, ensuring compliance with Indian Accounting Standards and other legal requirements concerning financial statements before they are submitted to the Board. The Internal Audit Reports on various matters covered by the Internal Auditors are regularly discussed in detail in the Audit Committee meetings. It scrutinizes the inter-corporate loans and investments by the Company and by its subsidiary companies. The Audit Committee approves the related party transactions and also grants its omnibus approval to related party transactions in appropriate cases. It also oversees the compliance under Vigil Mechanism (Whistle Blower Policy) of the Company. The Board has also authorised the Audit Committee to review the compliances with the provisions of the Security and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to verify the system for internal control are adequate and operating efficiently.

As on 31<sup>st</sup> March 2023, the Audit Committee comprised of three Directors out of which two are Independent Directors. The Chairman of the Committee is an Independent Director. All members of the Committee are financially literate. During the year, the Members of the Audit Committee met Four (4) meetings of the Board of Directors were held on 25<sup>th</sup> May, 2022, 10<sup>th</sup> August 2022, 14<sup>th</sup> November, 2022 and 30<sup>th</sup> January, 2023 and the attendance of the members at the meeting was as follows:

Name of member	Status	No. of meetings attended
Mr. Rakesh Bhartia	Chairman	4
Mr. Naresh Birla	Member	4
Mr. Devashish Poddar	Member	4

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

#### II. NOMINATION AND REMUNERATION COMMITTEE

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

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

The Committee met Four (4) meetings of the Board of Directors were held on 25<sup>th</sup> May, 2022, 10<sup>th</sup> August 2022, 14<sup>th</sup> November, 2022 and 30<sup>th</sup> January, 2023 during the year i.e. and the attendance of the members at the meeting was as follows:



Name of member	Status	No. of meetings attended
Mr. Naresh Birla	Chairman	4
Mr. Rakesh Bhartia	Member	4
Mr. Devashish Poddar	Member	4

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

Details of directors' remuneration paid for the year 2022-23.

(a) Executive Director NIL (The Company does not pay any remuneration to its Executive Director.)

(b) Non Executive Directors ₹ 44,000

**Name of Director** **Sitting Fees paid during 2022-23**

Mr. Devashish Poddar ₹ 10,000

Mr. Naresh Birla ₹ 10,000

Mr. Rakesh Bhartia ₹ 8,000

Mrs. Malvika Poddar ₹ 6,000

Mr. Suresh Kumar Lakhotia ₹ 10,000

**Note:** No remuneration except sitting fees for attending Board Meetings are paid to the non-executive Directors (there is 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 31<sup>st</sup> March, 2023 comprises of Mr. Devashish Poddar, Mrs. Malvika Poddar & Mr. Naresh Birla.

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

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

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

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

### 4. GENERAL BODY MEETINGS

I. Details of General Body Meetings:

Financial Year	Date	Day	Time	Venue
2021-22	29 <sup>th</sup> September 2022	Thursday	11.00 A.M.	Video Conferencing (VC)
2020-21	30 <sup>th</sup> September 2021	Thursday	11.00 A.M.	Video Conferencing (VC)
2019-20	30 <sup>th</sup> September 2020	Wednesday	11.00 A.M.	Video Conferencing (VC)

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

Date	Description of Special Resolutions passed
29 <sup>th</sup> September 2022	i. To consider and re-appoint Mr. Ranjan Kumar Poddar as an Executive/Managing Director of the Company
30 <sup>th</sup> September, 2021	NIL
30 <sup>th</sup> September 2020	i. To re-appoint Mr. Suresh Kumar Lakhotia (DIN 00450723) as an Independent Director

### 5. CODE OF CONDUCT

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





## 6. DISCLOSURES

### a) Related Party Transactions

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

### b) Details of non-compliance by the Company

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

### c) Whistle Blower Policy

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

The mechanism provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is posted on the Company's website viz., [www.aravalisecurities.com](http://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. 3 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. Jansatta and one English newspaper viz. Financial Express. The Company also posts its financial results for all quarters on its own website viz. [www.aravalisecurities.com](http://www.aravalisecurities.com). Official news releases are being displayed on the website of the Company. The Management of the Company is in regular touch with the investors' community and keeps sharing with them the performance of the Company and satisfy the queries raised by the Stakeholders.

## 8. General Shareholders Information

1.	Annual General Meeting will be held on Thursday the 28 <sup>th</sup> day of September, 2023 via VC/OAVM at 11:00 A.M. (IST)	
2.	Financial calendar	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
	First Quarter results	Before 15 <sup>th</sup> August
	Annual General Meeting	Second Quarter of the Financial Year
	Second Quarter results	Before 15 <sup>th</sup> November
	Third Quarter results	Before 15 <sup>th</sup> February
	Fourth Quarter results	Before 30 <sup>th</sup> May
3.	Dates of book closure	22.09.2023 To 28.09.2023 (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 2022-23 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 2022-23		
	Share Price on BSE		
	<b>Month</b>	<b>High</b>	<b>Low</b>
		<b>(₹)</b>	<b>(₹)</b>
	April, 2022	9.20	6.50
	May, 2022	8.20	5.91
	June, 2022	7.32	4.80



July, 2022	6.50	4.60
August, 2022	7.80	4.69
September, 2022	7.39	5.01
October, 2022	6.08	3.95
November, 2022	5.45	4.03
December, 2022	5.78	4.00
January, 2023	5.55	3.81
February, 2023	4.28	3.61
March, 2023	4.05	3.15

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.1<sup>st</sup> 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, 1<sup>st</sup> Floor, Okhla Industrial Area,**  
**Phase-I New Delhi-110 020**

9. (a) Distribution of Shareholding as on 31<sup>st</sup> March, 2023

S.No	Number of Equity Shares	Number of Shareholders	Percentage (%)	Number of Equity Shares held	% to Total Shares
1	Upto 5000	16566	99.11	4037349	26.64
2	5001 to 10000	79	0.47	557162	3.68
3	10001 to 20000	31	0.19	444730	2.93
4	20001 to 30000	12	0.07	297222	1.96
5	30001 to 40000	7	0.04	231475	1.53
6	40001 to 50000	7	0.04	314981	2.08
7	50001 to 100000	7	0.04	456446	3.01
8	100001 an Above	6	0.04	8814485	58.17
	<b>Total</b>	<b>16715</b>	<b>100.00</b>	<b>15153850</b>	<b>100.00</b>

(b) Categories of Shareholders as on 31<sup>st</sup> March, 2023

Category	Number of shareholders	Number of equity shares held	(%) of shareholders
i) Promoters & person acting in concert	3	8267260	49.57
ii) Mutual Funds/ UTI	0	0	0.00
iii) Public Financial Institution/ Banks	7	12905	0.09
iv) Non Resident Indians	23	21930	0.19
v) Other Bodies Corporate	116	328686	7.64
vi) Others	16566	6523069	42.52
<b>Total</b>	<b>16715</b>	<b>15153850</b>	<b>100.00</b>

10. Dematerialisation of shares and liquidity

Trading in shares of ARAVALI is permitted only in dematerialised form as per circular issued by the Securities and Exchange Board of India (SEBI) and 84.30% of the Equity shares of the Company have been dematerialised upto 31<sup>st</sup> March 2023.



11. The address for correspondence is as mentioned below:

**Registered Office**

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

**Place: Gurgaon**

**Date: 12<sup>th</sup> August, 2023**

**By Order of the Board of Directors**

Sd/-

**Ranjan Kumar Poddar**

**Chairman & Managing Director**

**(DIN: 00290949)**



## ANNEXURE-D TO DIRECTORS' REPORT

REMUNERATION POLICY**BACKGROUND**

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

**BRIEF OVERVIEW UNDER COMPANIES ACT 2013**

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

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

**BRIEF OVERVIEW OF THE REVISED CLAUSE 49 OF LISTING AGREEMENT****IV. Nomination and Remuneration Committee**

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

**PRESENT POSITION OF DIRECTORS AND KMP OF THE COMPANY**

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

**TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

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

**CRITERIA FOR DETERMINING THE FOLLOWING:-****Qualifications for appointment of Directors (including Independent Directors):**

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Appropriate other qualification/experience to meet the objectives of the Company.



- As per the applicable provisions of Companies Act 2013, Rules made there under and Clause 49 of Listing Agreement.

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

**Positive attributes of Directors (including Independent Directors):**

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

**Criteria for appointment of KMP/Senior Management:**

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

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

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director / KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:  
Responsibilities and duties;  
Time and efforts devoted;  
Value addition;  
Profitability of the Company and growth of its business;  
Analyzing each and every position and skills for fixing the remuneration yardstick;  
Standards for certain functions where there is a scarcity of qualified resources. Ensuring tax efficient remuneration structures.  
Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low. Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organization.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

**REVIEW**

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



**Certificate on Corporate Governance**

To,

The Members,

**ARAVALI SECURITIES AND FINANCE LIMITED**

Registered Office: Plot No. - 136, Ground Floor,  
Rider House, Sector-44, Gurgaon – 122003

We have examined the Compliance with conditions of Corporate Governance by **ARAVALI SECURITIES AND FINANCE LIMITED** (“the Company”) for the year ended March 31,2023, as stipulated in Regulation 27(2) , of LODR, 2015 of the Listing Agreement of the said Company with the Stock Exchanges concerned in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company’s Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 Management, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in Regulation 27(2), of LODR, 2015 of the above-mentioned Listing Agreement.

We state that in respect of the investor Grievances, the Registrar and Share Transfer Agent of the Company has maintained the relevant records and certified that as on 31<sup>st</sup> March,2023 there was no investor grievance pending against the Company.

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.

sd/-

Gaurav Arora

(Practicing Company Secretary)

UDIN: A048327E000811089

Place: NEW DELHI

Peer Review Number: 2381/2022

Date: 12<sup>th</sup> August 2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

The Members,

**ARAVALI SECURITIES AND FINANCE LIMITED**

R.O. Plot No. - 136, Ground Floor,  
Rider House, Sector-44, Gurgaon - 122003

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ARAVALI SECURITIES AND FINANCE LIMITED (CIN: L67120HR1980PLC039125)** and having registered office at **PLOT NO. 136, GROUND FLOOR, RIDER HOUSE SECTOR-44 GURGAON HARYANA Sector -45 HR 122003 IN** (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).

**Details of the Directors**

S. No	Name of the Director	DIN	Date of Appointment	Disqualification
1.	RANJAN KUMAR PODDAR	00290949	12/08/2004	Not Disqualified
2.	SURESH KUMAR LAKHOTIA	00450723	29/06/2015	Not Disqualified
3.	MALVIKA PODDAR	00457245	13/08/2014	Not Disqualified
4.	DEVASHISH PODDAR	00457349	13/05/2010	Not Disqualified
5.	RAKESH BHARTIA	00877865	11/05/2019	Not Disqualified
6.	NARESH BIRLA	02902650	30/05/2011	Not Disqualified



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

sd/-

**Gaurav Arora**

**(Practicing Company Secretary)**

**UDIN: A048327E000811078**

**Date: 12<sup>th</sup> August 2023**

**Place: NEW DELHI**

**Peer Review Number: 2381/2022**



## 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, 2023 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.

Date : 12<sup>th</sup> August, 2023  
Place: Gurgaon

Sd/-  
Sushil Kumar  
Chief Financial Officer

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

## CODE OF CONDUCT

## DECLARATION

I, Ranjan Kumar Poddar, Chairman & Managing Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Rules of Code of Conduct for the financial year ended 31<sup>st</sup> March, 2023, pursuant to the requirements of Clause 49 of the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Date: 12<sup>th</sup> August, 2023  
Place: Gurgaon

For Aravali Securities & Finance Limited

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



## INDEPENDENT AUDITORS' REPORT

To the Members of Aravali Securities & Finance Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of ARAVALI SECURITIES & FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, "(the Act)" in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Other Information

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 to the extent applicable.
2. As required under the provisions of Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit:
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books:
- c. The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account:
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in 'Annexure-B';
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
- 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;
- (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No 33(vi) to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note No 33(vii) to the Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 56b to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- iv. The Company has not declared and paid dividend during the year.
- h. The Company has not paid/ provided for managerial remuneration during the year.

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

Place: Gurgaon  
Date: 25th May, 2023

sd/-  
Rajan Kumar Goel  
Proprietor  
Membership No. 083829  
UDIN: 23083829BGYNLA4520

## 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 31<sup>st</sup> March, 2023)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
  - (b) The Property, Plant and Equipment 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 information and explanations furnished, in our opinion, no discrepancy has been noticed on such verification.
  - (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.
  - (d) 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 revalued its Property, Plant and Equipment during the year.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act 1988 and rules made thereunder.
- ii. The Company does not have inventories and accordingly, paragraph 3 (ii) of the Order is not applicable to the Company.
- iii. (a) The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties during the year. However, the Company had granted loan to a Company other than a subsidiary, joint venture and associate, repayable on demand in the preceding years. Balance outstanding as on 31<sup>st</sup> March, 2023 in respect of such loan is Rs Nil.
  - (b) In respect of the aforesaid loan, the terms and conditions under which such loan was granted are not prejudicial to the Company's interest.
  - (c) In respect of the aforesaid loan repayable on demand, the schedule of repayment of principal and payment of interest was not stipulated.
  - (d) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days.
  - (e) There were no loans which fell due during the year and were renewed / extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
  - (f) There were no loans which were granted during the year to promoters/related parties.
- iv. 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 granted any loans, made investments or provided any guarantees or securities to the parties covered under section 185 and 186 of the Companies Act 2013.
- v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- 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 on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including in respect of Goods and Service Tax, 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 generally 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 statutory dues referred to in sub-clause (a) which have not been deposited on account of disputes.

- viii. 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year.
- ix.(a) 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 defaulted in repayment of loans and borrowing or in the payment of interest thereon from other lenders during the year. Further the Company did not have any outstanding loans or borrowings from banks or financial institutions.
- (b) 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 been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) 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 raised money by way of term loans during the year.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March, 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debit instruments) during the period. Accordingly, paragraph 3 (x) (a) of the Order is not applicable to the Company.
- (b) 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 (x) (b) of the Order is not applicable to the Company.
- xi. (a) 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.
- (b) According to the information and explanations given to us, report under sub - section (12) of Section 143 of the Companies Act, 2013 in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government.
- (c) 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 received any whistle - blower complaints during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv.(a) In our opinion and according to information and explanations given to us and based on our audit procedures, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- 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.(a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company has not conducted nonbanking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has incurred cash losses amounting to Rs 3929228 in the current financial year but has not incurred cash losses in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Place: Gurgaon  
Date: 25th May, 2023

sd/-  
Rajan Kumar Goel  
Proprietor  
Membership No. 083829  
UDIN: 23083829BGYNLA4520

## **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")

(Referred to in Paragraph 2(f) 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 31<sup>st</sup> March, 2023)

### **Opinion**

We have audited the internal financial controls over financial reporting of Aravali Securities & Finance Limited ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Ind- AS financial statements and such internal financial controls over financial reporting with reference to these Ind- AS financial statements were operating effectively as at 31<sup>st</sup> March, 2023, 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.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

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

Place: Gurgaon  
Date: 25th May, 2023

sd/-  
Rajan Kumar Goel  
Proprietor  
Membership No. 083829  
UDIN: 23083829BGYNLA4520





**BALANCE SHEET AS AT 31ST MARCH, 2023**

	Note No	As at 31st March, 2023 Rupees	As at 31st March, 2022 Rupees
<b>ASSETS</b>			
<b>1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	4	19687428	20154853
(b) Deffered Tax Assets	5	1568557	414017
(c) Other Non Current Assets	6	9319789	9572723
<b>Total Non-Current Assets</b>		<b>30575774</b>	<b>30141593</b>
<b>2) Current Assets</b>			
(a) Financial Assets			
Investments	7	697470	660530
Cash and Cash Equivalents	8	6101752	8768333
Loans & Advances	9	-	2370285
Others	10	-	3315236
(b) Current Tax Assets (Net)	11	1334309	1609811
(c) Other Current Assets	12	118750	2387656
<b>Total Current Assets</b>		<b>8252281</b>	<b>40448851</b>
<b>TOTAL ASSETS</b>		<b>38828055</b>	<b>70590444</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1) Equity</b>			
(a) Equity Share Capital	13	151538500	151538500
(b) Other Equity	14	(153418388)	(149997540)
<b>Total Equity</b>		<b>(1879888)</b>	<b>1540960</b>
<b>2) Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	15	34116000	50442000
Other Financial Liabilities	16	2425036	13414558
(b) Other Current Liabilities	17	3032334	4181136
(c) Provisions	18	1134573	1011790
<b>Total Current Liabilities</b>		<b>40707943</b>	<b>69049484</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>38828055</b>	<b>70590444</b>
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>			
	3		

The accompanying notes form an integral part of the Financial Statements  
As per our report of even date

**For Rajan Goel & Associates**  
Chartered Accountants  
(Firm Registration No. 004624N)

For and on behalf of the Board of Directors of  
**Aravali Securities & Finance Limited**  
CIN: L67120HR1980PLC039125  
sd/-  
Ranjan Kumar Poddar (DIN:00290949)  
Chairman & Managing Director

sd/-  
**Rajan Kumar Goel**  
Proprietor  
Membership No.083829

sd/-  
Devashish Poddar (DIN:00457349)  
Malvika Poddar (DIN:00457245)  
Naresh Birla (DIN:02902650)  
Suresh Kumar Lakhotia (DIN:00450723)  
Rakesh Bhartia (DIN:00877865)  
Directors

Place : Gurgaon  
Dated: 25th May 2023

sd/-  
Ruchi Shrivastava  
Company Secretary

sd/-  
Sushil Kumar  
Chief Financial Officer



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023**

	Note No	For the year ended 31st March, 2023 Rupees	For the year ended 31st March, 2022 Rupees
<b>INCOME :</b>			
Revenue from Operations	19	-	27930000
Other Income	20	6466353	7703922
<b>Total Income</b>		<b>6466353</b>	<b>35633922</b>
<b>EXPENSES :</b>			
Employee Benefits Expense	21	4457940	4055464
Finance Costs	22	2695205	5067006
Depreciation and Amortisation Expenses	23	467425	488437
Other Expenses	24	3242436	3353980
<b>Total Expenses</b>		<b>10863006</b>	<b>12964887</b>
<b>Profit / (Loss) before Tax</b>		<b>(4396653)</b>	22669035
<b>Tax Expense</b>			
Current Tax		-	4334172
Deferred Tax		(1202820)	1821026
Income Tax in respect of earlier year		(6956)	9404
<b>Total Tax Expenses</b>		<b>(1209776)</b>	<b>6164602</b>
<b>Profit / (Loss) for the year</b>		<b>(3186877)</b>	<b>16504433</b>
<b>Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to Profit &amp; Loss</b>			
a) Fair value of investment in Mutual Fund routed through Other Comprehensive Income		36940	21338
b) Remeasurement of Defined Benefit Asset/(Liability)		(222631)	(198747)
		<b>(185691)</b>	<b>(177409)</b>
<b>(ii) Income Tax relating to Items that will not be reclassified to Profit &amp; Loss</b>			
		48280	46126
<b>Total Other Comprehensive Income</b>		<b>(233971)</b>	<b>(223535)</b>
<b>Total Comprehensive Income for the year</b>		<b>(3420848)</b>	<b>16280898</b>
<b>Earning Per Share (Rs.)</b>			
Basic Per value of Rs. 10/- per share		(0.21)	1.09
Diluted Per value of Rs. 10/- per share		(0.21)	1.09

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

3

The accompanying notes form an integral part of the Financial Statements  
As per our report of even date

**For Rajan Goel & Associates**  
Chartered Accountants  
(Firm Registration No. 004624N)

For and on behalf of the Board of Directors of  
**Aravali Securities & Finance Limited**  
CIN: L67120HR1980PLC039125  
sd/-  
Ranjan Kumar Poddar (DIN:00290949)  
Chairman & Managing Director

sd/-  
**Rajan Kumar Goel**  
Proprietor  
Membership No.083829

sd/-  
Devashish Poddar (DIN:00457349)  
Malvika Poddar (DIN:00457245)  
Naresh Birla (DIN:02902650)  
Suresh Kumar Lakhotia (DIN:00450723)  
Rakesh Bhartia (DIN:00877865)  
Directors

Place : Gurgaon  
Dated: 25th May 2023

sd/-  
Ruchi Shrivastava  
Company Secretary

sd/-  
Sushil Kumar  
Chief Financial Officer





## 1 Corporate Information

ARAVALI SECURITIES & FINANCE LIMITED (the 'Company') having CIN: L67120HR1980PLC039125 is a public limited company domiciled in India, with its registered office situated at Plot No 136, Rider House, Ground Floor, Sector 44, Gurgaon -122003, Haryana. The Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the BSE Limited (BSE), in India.

The Company is presently engaged in providing Financial and Other Advisory Services besides dealing in Shares and Securities.

## 2 Basis of Preparation

### A. Statement of Compliance

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

The financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on 25th May 2023.

### B. Functional and Presentation Currency

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

### C. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following item which are measured on an alternative basis on each reporting date:

<u>Items</u>	<u>Measurement basis</u>
Investments in Mutual Funds	- At Fair Value through OCI
Net defined benefit (asset)/ liability	- At fair value of plan assets less the present value of the defined benefit obligation

### D. Use of Estimates

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the accompanying disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and are reviewed on an on going basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities. Revisions to accounting estimates are recognised prospectively. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are furnished in the relevant notes.

## 3 Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

### a) Property, Plant & Equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

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

#### Depreciation

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



Freehold land is carried at historical cost less any accumulated impairment losses.

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

#### b) Current versus Non-Current Classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

#### c) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value

##### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

##### Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



**Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

**Company as a Lessor**

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

**d) Financial Instruments**

**i. Recognition and initial measurement**

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

**ii. Classification and subsequent measurement**

**Financial assets**

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

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

**Subsequent measurement and gains and losses**

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

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

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



#### **Financial liabilities**

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

#### **iii. Derecognition**

##### **Financial assets**

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

##### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

#### **iv. Offsetting**

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

#### **v. Derivative financial instruments**

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

#### **e) Measurement of Fair Values**

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

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

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

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

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

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

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

#### **f) Valuation of Inventories:**

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

**g) Impairment**

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

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

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

**ii. Defined Benefit Plans**

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

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

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

**iii. Defined Contribution Plans**

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

**iv. Compensated Absences**

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

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

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

**ii. Revenue from Service**

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

**iii. Rental Income**

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

**j) Recognition of Dividend Income, Interest Income or Expense**

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



**k) Borrowing Costs**

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

**l) Taxes on Income:**

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

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

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

**m) Segment Reporting**

Identification of segments

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

Allocation of common costs

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

Unallocated items

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

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

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

**Contingencies**

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

**Contingent Liabilities and Contingent Assets**

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

Contingent assets are recognized in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise.

**o) Earnings per share**

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

**p) Cash Flow Statement**

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

**q) Cash and Cash Equivalents**

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

**r) Events after Reporting Date**

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

**s) Standards issued but not effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**(i) Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

**(ii) Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

**(iii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



**NOTE 4 : PROPERTY, PLANT & EQUIPEMENT**

Particulars	Freehold Land	Building	Furniture & Office Equipments	Vehicles	Computers	Total
<b>Gross Carrying Value</b>						
<b>As at 31st March, 2021</b>	2925098	28865465	1997145	817804	623834	35229346
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
<b>As at 31st March, 2022</b>	2925098	28865465	1997145	817804	623834	35229346
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
<b>As at 31st March, 2023</b>	2925098	28865465	1997145	817804	623834	35229346
<b>Accumulated Depreciation</b>						
<b>As at 31st March, 2021</b>	-	11514538	1712459	776912	582147	14586056
Charges for the year	-	428122	60315	-	-	488437
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
<b>As at 31st March, 2022</b>	-	11942660	1772774	776912	582147	15074493
Charges for the year	-	428122	39303	-	-	467425
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
<b>As at 31st March, 2023</b>	-	12370782	1812077	776912	582147	15541918
<b>Net Carrying Value</b>						
<b>As at 31st March, 2022</b>	2925098	16922805	224371	40892	41687	20154853
<b>As at 31st March, 2023</b>	2925098	16494683	185068	40892	41687	19687428

**NOTE 5 : DEFFERED TAX ASSETS (NET)**

	As at 31st March, 2023	As at 31st March, 2022
	Rupees	Rupees
<b>Deferred Tax Assets</b>		
Losses under Income Tax Act	1178807	-
Depreciation	61151	69061
Expenditure allowed on payment basis under Income Tax Act	294989	263066
Other Comprehensive Income	33610	81890
<b>Deferred Tax Assets (Net)</b>	<b>1568557</b>	<b>414017</b>

**NOTE 6 : OTHER NON CURRENT ASSETS**

	As at 31st March, 2023	As at 31st March, 2022
	Rupees	Rupees
Mat Credit Entitlement	7657529	7657529
Security and Other Deposits	1504406	1504406
Prepaid Expenses	157854	410788
	<b>9319789</b>	<b>9572723</b>



**NOTE 7 : CURRENT INVESTMENTS**

	<b>As at 31st March, 2023</b>	As at 31st March, 2022
	<b>Rupees</b>	Rupees
<b>Quoted - At FVTOCI</b>		
In Mutual Funds		
HDFC Liquidity Fund - Growth	<b>697470</b>	660530
	<b>697470</b>	660530

**NOTE 8 : CASH AND CASH EQUIVALENTS**

	<b>As at 31st March, 2023</b>	As at 31st March, 2022
	<b>Rupees</b>	Rupees
Cash in hand	<b>42395</b>	58574
Balances with Scheduled Banks:		
In Current Accounts	<b>3314601</b>	6075171
In Fixed Deposit Accounts (Maturing with 12 months)	<b>2744756</b>	2634588
	<b>6101752</b>	8768333

**NOTE 9 : LOANS & ADVANCES**

	<b>As at 31st March, 2023</b>	As at 31st March, 2022
	<b>Rupees</b>	Rupees
Loans and Advances (Unsecured, considered good)		
To Others	-	23707285
	-	23707285

**NOTE 10 : OTHER CURRENT FINANCIAL ASSETS**

	<b>As at 31st March, 2023</b>	As at 31st March, 2022
	<b>Rupees</b>	Rupees
Interest accrued on loans	-	3315236
	-	3315236

**NOTE 11 : CURRENT TAX ASSETS (NET)**

	<b>As at 31st March, 2023</b>	As at 31st March, 2022
	<b>Rupees</b>	Rupees
Income tax payments and tax deducted at source (net of provisions)	<b>1334309</b>	1609811
	<b>1334309</b>	1609811



**NOTE 12 : OTHER CURRENT ASSETS**

	As at 31st March, 2023	As at 31st March, 2022
	Rupees	Rupees
Other Income Receivables	101101	2363228
Advances to Employees	13244	18088
Other Advances	-	724
Prepaid Expenses	4405	5616
	<b>118750</b>	<b>2387656</b>

**NOTE 13 : EQUITY SHARE CAPITAL**

	As at 31st March, 2023	As at 31st March, 2022
	Rupees	Rupees
<b>Authorised</b> 20000000(20000000) Equity Shares of Rs. 10 each	<b>200000000</b>	200000000
<b>Issued, Subscribed and Paid Up</b> 15153850(15153850) Equity Shares of Rs.10 each fully paid up	<b>151538500</b>	151538500
	<b>151538500</b>	<b>151538500</b>

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

	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	Amount	No of Shares	Amount
Opening Balance	15153850	151538500	15153850	151538500
Add: Addition during the year	-	-	-	-
Less: Deduction during the year	-	-	-	-
Closing Balance	<b>15153850</b>	<b>151538500</b>	<b>15153850</b>	<b>151538500</b>

**(b) Terms/Rights attached to equity shares**

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

**(c) Details of Bonus Shares**

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

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

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No of Shares	% of holding	No. of Shares	% of holding
Chandra Lekha Poddar	7215000	47.61	6459810	42.63

**(e) Details of Shareholding of the Promoters**

Name of the Promoter	As at 31st March, 2023			As at 31st March, 2022		
	No of Shares	% of total number of Shares	% of change during the year	No. of Shares	% of total number of Shares	% of change during the year
Chandra Lekha Poddar	7215000	47.61	4.98	6459810	42.63	4.89
Anupam Poddar	652260	4.30	-	652260	4.30	-
Devashish Poddar - HUF	400000	2.64	-	400000	2.64	-



**NOTE 14 : OTHER EQUITY**

	Securities Premium Reserve	General Reserve	Retained Earnings	Total
Balance as at 31st March, 2021	127062200	16427862	(309768500)	(166278438)
Profit/(Loss) for the year			16504433	16504433
Other Comprehensive Income			(223535)	(223535)
Total Comprehensive Income for the year			16280898	16280898
Balance as at 31st March, 2022	127062200	16427862	(293487602)	(149997540)
Profit/(Loss) for the year			(3186877)	(3186877)
Other Comprehensive Income			(233971)	(233971)
Total Comprehensive Income for the year			(3420848)	(3420848)
Balance as at 31st March, 2023	<b>127062200</b>	<b>16427862</b>	<b>(296908450)</b>	<b>(153418388)</b>

**NOTE 15 : BORROWINGS**

	As at 31st March, 2023	As at 31st March, 2022
	Rupees	Rupees
<b>Unsecured</b>		
12.5% Fully Convertible Debentures		
<b>2272</b> (2272) Debentures of Rs.125 each	<b>284000</b>	284000
Less: Allotment money in arrears	<b>142000</b>	142000
	<b>142000</b>	142000
Loans repayable on demand		
From Others	-	500000
From Related Parties	<b>33974000</b>	49800000
	<b>34116000</b>	50442000

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

**NOTE 16 : OTHER FINANCIAL LIABILITIES**

	As at 31st March, 2023	As at 31st March, 2022
	Rupees	Rupees
Interest accrued on Borrowings	<b>2425036</b>	13414558
	<b>2425036</b>	13414558

**NOTE 17 : OTHER CURRENT LIABILITIES**

	As at 31st March, 2023	As at 31st March, 2022
	Rupees	Rupees
Statutory Dues	<b>393983</b>	584779
Other Liabilities for Expenses	<b>2638351</b>	3596357
	<b>3032334</b>	4181136

**NOTE 18 : PROVISIONS**

	As at 31st March, 2023	As at 31st March, 2022
	Rupees	Rupees
Provision for Leave Encashment	<b>1134573</b>	1011790
	<b>1134573</b>	1011790



**NOTE 19 : REVENUE FROM OPERATIONS**

	Year ended 31st March, 2023	Year ended 31st March, 2022
	Rupees	Rupees
Service Charges received	-	27930000
	<b>-</b>	<b>27930000</b>

**NOTE 20 : OTHER INCOME**

	Year ended 31st March, 2023	Year ended 31st March, 2022
	Rupees	Rupees
Interest Income from Financial Assets	<b>376866</b>	3832681
Interest Income - Other	<b>77487</b>	10295
Rental Income	<b>6012000</b>	3665000
Miscellaneous Income	-	51937
Excess Provisions Written Back	-	144009
	<b>6466353</b>	<b>7703922</b>

**NOTE 21 : EMPLOYEE BENEFIT EXPENSES**

	Year ended 31st March, 2023	Year ended 31st March, 2022
	Rupees	Rupees
Salaries, Bonus & Allowances	<b>3884873</b>	3624802
Contribution to Provident & Allied Funds (including Administration Charges)	<b>264425</b>	236294
Contribution to Gratuity Fund	<b>83910</b>	26970
Welfare Expenses	<b>224732</b>	167398
	<b>4457940</b>	<b>4055464</b>

**NOTE 22 : FINANCE COST**

	Year ended 31st March, 2023	Year ended 31st March, 2022
	Rupees	Rupees
<b>Interest paid on</b>		
Borrowings	<b>2694485</b>	5067006
Others	<b>720</b>	-
	<b>2695205</b>	<b>5067006</b>

**NOTE 23 : DEPRECIATION AND AMORTISATION EXPENSE**

	Year ended 31st March, 2023	Year ended 31st March, 2022
	Rupees	Rupees
Depreciation of Property, Plant & Equipment (Refer Note No 4)	<b>467425</b>	488437
	<b>467425</b>	488437

**NOTE 24 : OTHER EXPENSES**

	Year ended 31st March, 2023	Year ended 31st March, 2022
	Rupees	Rupees
Rent	<b>402602</b>	362482
Rates & Taxes	<b>205485</b>	202751
Insurance	<b>10098</b>	10603
Directors' Meeting Fee	<b>44000</b>	38000
Travelling & Conveyance	<b>175159</b>	160114
Vehicles' Expenses	<b>0</b>	78526
Printing & Stationery	<b>44958</b>	307663
Postage & Telephone Expenses	<b>202496</b>	553182
Legal & Professional Charges	<b>1414933</b>	1056220
Advertisement Expenses	<b>42480</b>	42571
Electricity & Water Charges	<b>26865</b>	24460
Miscellaneous Expenses	<b>422507</b>	399157
<u>Auditors' Remuneration :</u>		
As Audit Fee	<b>30000</b>	30000
For Tax Audit	-	5000
For Certification	<b>40000</b>	15000
<u>Repairs and Maintenance :</u>		
On Others	<b>180853</b>	68251
	<b>3242436</b>	3353980





- 25 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.
- 26 Accounts relating to allotment money in arrears of Fully Convertible Debentures are not reconciled.
- 27 The Company has not recognized Deferred Tax Asset in respect of short term capital losses under the Income Tax Act, 1961, considering prudence in terms of Accounting Standard 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India

**28 Employee Benefit**

The Company has a defined benefit gratuity plan. The gratuity plan is governed by The Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

	<b>For year ended 31st March, 2023</b>	For year ended 31st March, 2022
I. Net Asset/(Liability) recognised in the Balance Sheet		
As at end of the year		
Present Value of Defined Benefit Obligations (DBO)	<b>2305148</b>	1864892
Fair Value of Plan Assets	<b>2463002</b>	2275680
Funded Status - Surplus	<b>157854</b>	410788
Net Asset/(Liability) recognised in the Balance Sheet	<b>157854</b>	410788
II. Changes in DBO during the year		
Present Value at beginning of the year	<b>1864892</b>	1491453
Current Service Cost	<b>90066</b>	80432
Interest Cost	<b>127559</b>	94260
Actuarial Losses / (Gains)	<b>222631</b>	198747
Benefits Paid	-	-
Present Value at the end of the year	<b>2305148</b>	1864892
III. Changes in Fair Value of Plan Assets during the year		
Plan Assets at beginning of the year	<b>2275680</b>	2125499
Actual return on Plan Assets	<b>146627</b>	147722
Contributions	<b>40695</b>	2459
Benefits Paid	-	-
Plan Assets at the end of the year	<b>2463002</b>	2275680
IV. Components of Employers' expenses		
Current Service Cost	<b>90066</b>	80432
Interest Cost	<b>127559</b>	94260
Expected return on Plan Assets	<b>(139743)</b>	(147722)
Actuarial Losses / (Gains)	<b>222631</b>	198747
Expenses / Income recognised in the Profit & Loss Account	<b>300513</b>	225717
V. Actual Contribution and Benefits Payment for the year		
Actual Benefits Payments	-	-
Actual Contributions	<b>40695</b>	2459
Discount Rate	<b>7.30%</b>	6.84%
Expected return on Plan Assets	<b>6.78%</b>	7.00%
Salary Escalation	<b>6.00%</b>	6.00%



**29 Related Party Disclosures**

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

<u>Name of the Party</u>	<u>Relation</u>
I. Carma Arts & Crafts Private Limited Devi Overseas Private Limited Carma Creative Private Limited Remus India Private Limited Thomas Goode India Private Limited Jahanluxury Exhibitions Private Limited	Enterprise in which a Director or his/her relative has significant influence or is a Key Management Personnel
II. Key Management Personnel Mr. Ranjan Kumar Poddar Ms Ruchi Shrivastava Mr. Sushil Kumar	
III. Non Executive Directors and Independent Directors Mr. Devashish Poddar Mrs. Malvika Poddar Mr. Naresh Birla Mr. Suresh Kumar Lakhotia Mr. Rakesh Bhartia	Non Executive Director Non Executive Director Independent Director Independent Director Independent Director

**(B) Related Party Transactions**

<u>Transactions</u>	<u>Enterprise in which a Director or his / her relative has significant influence or is a Key Management Personnel</u>	<u>Directors</u>	<u>Key Management Personnel</u>
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Lease/Rent Income	4362000 (2840000)		
Interest Expenditure		2694485 (3904088)	
Rent paid	118000 ( 99120 )		
Remuneration paid			1372512 (1328100)
Sitting Fees		44000 (38000)	
Loans Received		5500000 (3600000)	
Loans repaid		21326000 ( - )	
<u>Balances outstanding as on 31st March, 2023</u>			
Outstanding/receivables (debit)	37582 ( 2308204 )		
Outstanding/payable (credit)		36399036 (59744221)	

**30 Basic and diluted earnings per equity share**

	<u>For year ended 31st March, 2023</u>	<u>For year ended 31st March, 2022</u>
	<u>(Rs.)</u>	<u>(Rs.)</u>
Net Profit /(Loss) after tax	(3186877)	16504433
Weighted average number of equity shares	15153850	15153850
Basic and diluted earnings per equity share	Rs.(0.21)	Rs. 1.09



31 The Company's operations at present are confined to only one segment i.e. providing Financial and Other Advisory Services and accordingly there are no separate reportable operating segments as per Ind AS 108 - Operating Segments.

32 Ratios

S No	Particulars	Numerator	Denominator	Numerator		Denominator		Ratios		Remarks
				As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022	
i	Current Ratio	Current Assets	Current Liabilities	8252281	40448851	40707943	69049484	0.20	0.59	Due to decrease in current assets
ii	Debt Equity Ratio	Total Debt	Shareholders Equity	34116000	50442000	(1879888)	1540960	(18.15)	32.73	Due to decrease in earnings
iii	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	(1234023)	28224478	19021205	29967006	(0.06)	0.94	Due to decrease in earnings
iv	Return on Equity Ratio	Net Profit after Taxes	Average Shareholders Equity	(3186877)	16504433	(169464)	(6599489)	(18.81)	2.50	Due to decrease in earnings
v	Inventory Turnover Ratio	Not Applicable since the Company does not have inventory								
vi	Trade Receivable Turnover Ratio	Not Applicable since the Company does not have trade receivables								
vii	Trade Payable Turnover Ratio	Not Applicable since the Company does not have trade payables								
viii	Net Capital Turnover Ratio	Total Revenue from Operation	Average Working Capital	-	27930000	(169464)	(38297881)	0.00	0.73	Due to decrease in turnover
ix	Net Profit Ratio	Net Profit after Taxes	Total Revenue from Operation	(3186877)	16504433	-	27930000	0.00	0.59	Due to decrease in earnings
x	Return on Capital Employed	Earning before Interest and Taxes	Capital Employed	(1701448)	27736041	30667555	51568943	(0.06)	0.54	Due to decrease in earnings
xi	Return on Investment	Earning before Interest and Taxes	Total Assets	(1701448)	27736041	38828055	70590444	(0.04)	0.39	Due to decrease in earnings



**33 Other Statutory Information:**

- i. The Company do not have any Benami Property and neither any proceedings have been initiated or is pending against the Company for holding any Benami Property.
- ii The Company has not borrowed any fund from banks or financial institutions and as such is not required to file quarterly returns or statements of current assets with banks or financial institutions.
- iii The Company has not been declared a willful defaulter by any bank or financial institution or any other lender during the current period.
- iv. The Company do not have any transactions with companies struck off.
- v The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period. However certain charges are being reflected on the website of MCA against the name of the Company for which Company has taken necessary steps for removal of the same.
- vi The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The accompanying notes form an integral part of the Financial Statements  
As per our report of even date

**For Rajan Goel & Associates**  
Chartered Accountants  
(Firm Registration No. 004624N)

sd/-  
**Rajan Kumar Goel**  
Proprietor  
Membership No.083829

sd/-  
Ruchi Shrivastava  
Company Secretary  
Place : Gurgaon  
Dated: 25th May 2023

sd/-  
Sushil Kumar  
Chief Financial Officer

For and on behalf of the Board of Directors of  
**Aravali Securities & Finance Limited**  
CIN: L67120HR1980PLC039125  
sd/-  
Ranjan Kumar Poddar (DIN:00290949)  
Chairman & Managing Director

sd/-  
Devashish Poddar (DIN:00457349)  
Malvika Poddar (DIN:00457245)  
Naresh Birla (DIN:02902650)  
Suresh Kumar Lakhotia (DIN:00450723)  
Rakesh Bhartia (DIN:00877865)  
Directors