



# Aarvi Encon Limited

CIN : L29290MH1987PLC045499

(ISO 9001 : 2015 & ISO 45001 : 2018)

Regd. Office : B1- 603, 6th Floor, Marathon Innova, Marathon Nextgen Complex,  
Opp. Peninsula Park, Lower Parel, Mumbai - 400 013, India.



AEL/NSE/2023-24/04

Date: May 29, 2023

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400051

**Kind Attention: Head - Listing  
Symbol: AARVI**

**Sub: - Outcome of the Board Meeting of the Company held on Monday, May 29, 2023 at 7:30 P.M.**

Dear Sir/Madam,

Pursuant to Regulation 30 and 33 read with Para A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, This is to inform you that the meeting of the Board of Directors of the Company held on Monday, May 29, 2023 at 6:57 P.M, and concluded at 07:30 P.M. at Mumbai considered and approved the following matter:

#### Financial Results

1. The Audited Standalone and Consolidated Financial Statements for the quarter and year ended March 31, 2023 prepared as per Indian Accounting Standards (IND-AS) along with Statutory Audited Report issued by the Statutory Auditors of the Company;
2. Declaration for Unmodified Opinion under Regulation 33 of SEBI (LODR) Regulation, 2015.

#### Acquisition

3. Approval for Acquisition of MNR Technical Services LLC, UAE through its Wholly Owned Subsidiary Company- Aarvi Encon FZE by way of cash consideration;

#### Dividend

4. Recommended Final Dividend of Rs. 2/- per share i.e. 20% on the Equity Shares of the Company of the face value of Rs. 10/- each subject to the approval of the shareholders of the Company for the FY 2022-23 at the ensuing 35th Annual General Meeting of the Company;

The above information is also available on the website of the Company at [www.aarviencon.com](http://www.aarviencon.com).

This is for your information and record.

Thanking You,

Yours Faithfully,

For Aarvi Encon Limited

*V. D. Sanghavi*



**Virendra Sanghavi**  
**Managing Director**  
**DIN: 00759176**

**Annexures:**

1. **Statutory Audit Report as issued by the Statutory Auditors of the Company for the quarter and year ended March 31, 2023;**
2. **Audited Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2023;**
3. **Declaration for Unmodified Opinion by Mr. Virendra Sanghavi, Managing Director.**

## INDEPENDENT AUDITOR'S REPORT

To The Members of,  
**AARVI ENCON LIMITED**

### Report on Consolidated Financial Statements

#### Opinion

We have audited accompanying consolidated financial statements of **Aarvi Encon Limited** (the "Holding Company") and its subsidiaries, a list of the same is annexed herewith by way of an Annexure 2 to this report (collectively the company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss including other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of Reports of other Auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statement give the information required by the Companies Act, 2013, as amended ("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 consolidated state of affairs of the Group as at March 31<sup>st</sup> 2023, and profit including other comprehensive income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equities for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standard are future described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 audit opinion on the Consolidated 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 consolidated financial statement of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



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## Key Audit Matter

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### 1. Revenue Recognition

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The Company's contracts with customers include contracts with multiple services. The Company derives revenues from manpower supply and related services. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgement. As certain contracts with customers involve management's judgment in (1) identifying distinct performance obligations, (2) determining whether the Company is acting as a principal or an agent, revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort.

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## Auditor's Responses

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### Principal Audit Procedures

Our audit procedures related to the (1) identification of distinct performance obligations, (2) determination of whether the Company is acting as a principal or agent included the following among others:

- We tested the effectiveness of controls relating to the-
  - (a) identification of distinct performance obligations,
  - (b) determination of whether the Company is acting as a principal or an agent and
- We selected a sample of contracts with customers and performed the following procedures:
  - Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement.
  - Identified significant terms and deliverables in the contract to assess management's conclusions regarding the- (i) identification of distinct performance obligations (ii) whether the Company is acting as a principal or an agent

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## Key Audit Matter

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### 2. Evaluation of Uncertain Tax Positions

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The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

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## Auditor's Responses

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### Principal Audit Procedures

Obtained details of completed tax assessments and demands upto the year ending March 31, 2023 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.



### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, Consolidated cash flows and consolidated Statement of Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (IND AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation by the Consolidated Financial Statements by the directors of the Holding Companies as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Company included in the Group are also responsible for overseeing the financial reporting process of the Group.



### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement 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 this financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 Act, we are Company has adequate internal financial controls with reference to financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements, including the disclosure, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 Financial Statements for the financial year ended March 31, 2023 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.

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

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

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



## Other Matters

We did not audit the financial statements of foreign subsidiary Aarvi Encon (FZE), whose financial statements reflect total assets of Rs. 2,203.28 Lacs (AED 10,141,653/-) as at 31<sup>st</sup> March, 2023, total revenue of Rs. 5,303.12 Lacs (AED 24,632,418/-) and net cash outflow of Rs.70.40 Lacs (AED 6,55,522/-) for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. The audit of financial statements of other foreign subsidiary Aarvi Encon Resources Ltd whose financial statements reflect total assets of Rs.88.52 Lacs (GBP 87,162/-) as at 31<sup>st</sup> March, 2023, total revenue of Rs.70.47 Lacs (GBP 69,986) and net cash inflow of Rs. 40.53 Lacs (GBP 39,908/-) is not required to be audited as per the statutory requirements of the respective country. Also, the audit of associate entities, Aarvi Encon Staffing Services W.L.L. reporting total assets of Rs.24.13 Lacs (QAR 106,983/-) and PT Aarvi Encon Services, an associate entity of Aarvi Encon (FZE) which is yet to commence its business operations, has not been done by us and our opinion is based solely on the financial statements as per the statutory requirements of the respective countries.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## 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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by section 143(3) of the Act, based on our audit and the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the other matters paragraph we report to the extent applicable, that:
  - a) We / the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief was necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion proper books of account as required by law relating to preparations of the aforesaid Consolidation of the Financial Statements have been kept so far as it appears from our examinations of those books and reports of the other auditors;
  - c) The consolidated Balance Sheet, the consolidated Statement of Profit and loss including the statement of other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement and Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of Consolidated Financial Statements;
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.



- e) On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2023 and taken on record by the Board of Directors of the holding company and the report of the Statutory Auditors who are appointed under section 139 of the Act of its subsidiaries, none of the directors of the group companies incorporated in India is disqualified as on 31 March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in 'Annexure 3', which is based on the auditors' reports of the subsidiary companies incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 group does not have any pending litigations which would impacts its financial position.
  - ii. The group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.
  - iv. a) The respective managements of the Holding Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, 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 Holding Company or any of such Subsidiaries to or in any other person or entity, 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 respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- b) The respective managements of the Holding Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the Holding Company or any of such Subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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; and
- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared/paid during the year and subsequent to the year-end by the Holding Company and subsidiary companies, as and where dividend declared/paid, is in compliance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Jay Shah & Associates.  
Chartered Accountants  
Firm Reg. No. 135424W



CA. Jay Shah  
(Proprietor)

Membership No. 134334  
UDINo. : 23134334BGWPF09673



Place : Mumbai.  
Date : 29<sup>th</sup> May, 2023

## Aarvi Encon Limited

### Annexure to the Independent Auditors' Report of Consolidated Financial Statements

#### **Annexure – 1: Referred to In Paragraph 1 under the Heading “Report on Other Legal and Regulatory Requirements” Of Our Report of Even Date**

There are no instances of qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order, 2020 (“CARO”) reports of the companies included in the consolidated financial statements of the companies. Accordingly the requirement to report under Clause 3(xi) is not applicable to the company.

#### **Annexure – 2: Details of the Group**

##### **A. Parent Company;**

<b>Sr. No.</b>	<b>Name of the Parent Company</b>
1.	Aarvi Encon Limited

##### **B. Subsidiaries held directly**

<b>Sr. No.</b>	<b>Name of the Subsidiary</b>
1.	Aarvi Engineering and Consultants Private Limited
2.	Aarvi Encon (FZE)
3.	Aarvi Encon Resources Limited

##### **C. Subsidiaries held indirectly**

<b>Sr. No.</b>	<b>Name of the Subsidiary</b>
1.	Aarvi Encon LLC, Muscat Sultanate of Oman [Subsidiary of Aarvi Encon (FZE)] w.e.f. 13 <sup>th</sup> January, 2021.

##### **D. Associate Entities**

<b>Sr. No.</b>	<b>Name of the Entity</b>
1.	PT. Aarvi Encon Services, Indonesia [Associate entity of Aarvi Encon (FZE) – Stake held 49%] w.e.f. 10th June, 2021.
2.	Aarvi Encon Staffing Services W.L.L., Qatar [Joint Venture – Stake held 49%] w.e.f. 02 <sup>nd</sup> March, 2022.



### **Annexure – 3:**

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our Audit of the consolidated Financial Statements of the holding Company as of and for the year ended 31<sup>st</sup> March, 2023, we have audited the internal financial controls over financial reporting of **Aarvi Encon Limited** (hereinafter referred to as “the holding company”) and its subsidiaries (the holding company and its subsidiaries together referred as to “the Group”), as of that date.

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

The respective Board of Directors of the holding companies and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, 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 Holding Company and its Subsidiaries, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



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

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

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

### **Opinion**

In our opinion, the Holding Company and its Subsidiary companies which are incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting commensurate to its size and nature of business and such internal financial controls over financial reporting 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.

For Jay Shah & Associates.  
Chartered Accountants  
Firm Reg. No. 135424W

  
CA. Jay Shah  
(Proprietor)

Membership No. 134334  
UDINo. : 23134334BGWPF0967



Place : Mumbai.  
Date : 29<sup>th</sup> May, 2023



Statement of audited Consolidated Assets and Liabilities as on March 31, 2023  
(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	959.45	981.23
(b) Goodwill on Consolidation	20.12	20.12
(c) Right of Use Asset	-	-
(d) Other Intangible Assets	30.77	12.40
(e) Intangible Asset Under Development	-	-
(f) Investment in equity accounted joint venture	-	-
(g) Financial Assets	-	-
(i) Investments	-	-
(i) Loans and Advances	226.58	242.64
(ii) Others	1,448.90	1,827.54
(h) Deferred Tax Asset, Net	18.56	16.98
(i) Other non current assets	1,804.48	1,371.27
	<b>4,508.85</b>	<b>4,472.18</b>
<b>(2) Current Assets</b>		
(a) Financial Assets		
(i) Investments	37.16	35.74
(ii) Trade Receivable	9,502.64	8,101.07
(iii) Cash and cash equivalents	438.55	507.04
(iv) Other Bank Balances	228.56	218.98
(v) Loans and Advances	84.76	36.45
(vi) Others	807.93	1,348.88
(b) Other current assets	236.18	177.23
	<b>11,335.78</b>	<b>10,425.39</b>
<b>Total Assets</b>	<b>15,844.63</b>	<b>14,897.57</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	1,478.40	1,478.40
(b) Other Equity	9,327.56	7,990.51
<b>Equity attributable to owners of Holding Company</b>	<b>10,805.96</b>	<b>9,468.91</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	-	-
(ii) Lease Liability	-	-
(iii) Others	45.80	162.08
(b) Provisions	-	-
(c) Deferred Tax Liabilities (Net)	37.06	30.22
(d) Other Non-current liabilities	-	-
	<b>82.86</b>	<b>192.30</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	340.30	643.03
(ii) Lease Liability	-	-
(iii) Trade payables	1,021.47	1,019.04
(iv) Others	2,125.52	2,448.78
(b) Other current liabilities	1,458.67	1,120.77
(b) Provisions	9.85	4.75
(c) Liabilities for current tax (net)	-	-
	<b>4,955.81</b>	<b>5,236.36</b>
<b>Total Equity and Liabilities</b>	<b>15,844.63</b>	<b>14,897.57</b>

As per our report of even date

For Jay Shah & Associates  
Firm Registration No. 135424W  
Chartered Accountants

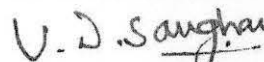
  
Jay Shah  
Proprietor  
M.No. 134334

UDIN: 2313433486WPP09C13



Place : Mumbai  
Date : 29th May, 2023

For and on behalf of the Board of Directors

  
Virendra D. Sanghavi

Managing Director  
DIN: 00759176

  
Jaydev V. Sanghavi

Executive Director & CFO  
DIN: 00759042

LEELA  
BISHT

Leela S. Bisht  
Company Secretary & Compliance Officer  
Membership No. ACS 59748

Place : Mumbai  
Date : 29th May, 2023

AARVI ENCON LIMITED  
CIN: L29290MH1987PLC045499  
Statement of audited consolidated Results for the Quarter and nine months ended March 31, 2023  
(All amounts are Rupees in lakhs unless otherwise stated)



Particulars	Quarter Ended March 23	Quarter Ended Dec 22	Quarter Ended March 22	Year ended March 31, 2023 (Audited)	Year ended March 31, 2022 (Audited)
I Revenue from Operations	10,629.68	11,093.63	9,098.82	43,652.19	28,854.71
II Other Income	27.26	34.30	28.11	131.34	117.88
III Total Revenue (I + II)	<u>10,656.93</u>	<u>11,127.93</u>	<u>9,126.93</u>	<u>43,783.52</u>	<u>28,972.58</u>
IV Expenses:					
Employee Benefit Expenses	7,042.09	7,447.75	6,427.89	29,160.52	21,665.92
Finance Cost	46.39	54.08	27.66	175.90	73.13
Depreciation and amortisation expense	34.78	33.37	22.43	122.83	102.36
Other Expenses	3,124.37	3,287.45	2,375.50	12,670.60	5,916.12
Total Expenses (IV)	<u>10,247.64</u>	<u>10,822.65</u>	<u>8,853.47</u>	<u>42,129.85</u>	<u>27,757.53</u>
Profit before exceptional item and tax (III-IV)	409.29	305.28	273.46	1,653.68	1,215.05
Exceptional items/Tax Recovery of earlier years	0.00	-	-	86.01	-
V Profit/(Loss) Before Tax (III-IV)	<u>409.29</u>	<u>305.28</u>	<u>273.46</u>	<u>1,567.66</u>	<u>1,215.05</u>
VI Tax Expense					
1. Current Tax	69.40	36.45	11.00	111.25	11.00
2. Short/Excess Provision of Tax	-	-	-	-	-
3. Deferred Tax	(5.35)	3.66	(3.82)	5.27	(2.68)
Total Tax Expenses (VI)	<u>64.05</u>	<u>40.11</u>	<u>38.56</u>	<u>116.52</u>	<u>8.32</u>
VII Profit/(Loss) for the year (V-VI)	<u>345.24</u>	<u>265.17</u>	<u>266.28</u>	<u>1,451.15</u>	<u>1,206.74</u>
VIII Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss					
Re-measurement gains/ (losses) on defined benefit plans	2.31	-	4.07	2.31	4.07
tax effect thereon	-	-	-	-	-
(ii) Items that will be reclassified to profit or loss					
Changes in foreign currency translation reserve	(4.31)	19.72	23.87	105.29	46.63
tax effect thereon	-	-	-	-	-
Other Comprehensive Income for the year, net of tax	<u>(2.00)</u>	<u>19.72</u>	<u>27.94</u>	<u>107.60</u>	<u>50.70</u>
IX Total comprehensive income for the year	<u>343.24</u>	<u>284.90</u>	<u>294.22</u>	<u>1,558.75</u>	<u>1,257.44</u>
X Net Profit attributable to:					
Owners of the Holding Company Profit / (Loss)	345.24	265.17	266.28	1,451.15	1,206.74
Non-Controlling Interest Profit / (Loss)	(2.00)	(19.72)	(266.28)	(1,451.15)	(1,206.74)
XI Other Comprehensive Income attributable to:					
Owners of the Holding Company	(2.00)	19.72	27.94	107.60	50.70
Non-Controlling Interest	(2.00)	19.72	27.94	107.60	50.70
XII Total Comprehensive Income attributable to:					
Owners of the Holding Company	343.24	284.90	294.22	1,558.75	1,257.44
Non-Controlling Interest Profit / (Loss)	(2.00)	(19.72)	(266.28)	(1,451.15)	(1,206.74)
XIII Earnings per Share					
Basic & Diluted	2.34	1.79	1.80	9.82	8.16
Nominal Value per share of Rs.10 each					

**Notes**

- In terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended, the aforesaid statement of audited consolidated financial results for quarter and year ended March 31, 2023, audited statement of assets and liabilities as at March 31, 2023 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2023. The aforesaid results for the quarter and year ended March 31, 2023 have been audited by the statutory auditors of the Company.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (IND-AS) prescribed under section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder.
- The Company hereby gives a declaration that the signing directors are duly authorized by the board of directors to sign the financial results.
- The Company has only one business segment i.e. "Technical Manpower Outsourcing".
- The figures for the quarter ended March 31, 2023 and corresponding quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year upto March 31, 2023 and March 31, 2022 respectively and the unaudited year to date figures upto December 31, 2022 and December 31, 2021 respectively, being the date of the end of the third quarter of the respective financial year, which were subjected to limited reviews.
- The Board of Directors has proposed a Final Dividend @ 20% on the Equity shares of face value of Rs. 10/- each i.e. Re. 2/- (Rupees Two only) per share subject to the approval of the members of the Company at the ensuing 35th Annual General Meeting of the Company.
- The figures of the previous periods have been regrouped/ reclassified, wherever necessary.
- The above consolidated financial results of the Company are available on the Company's website ([www.aarviencon.com](http://www.aarviencon.com)) and also on the website of NSE ([www.nseindia.com](http://www.nseindia.com)), where the shares of the Company are listed.

As per our report of even date

For Jay Shah & Associates  
Firm Registration No. 135424W  
Chartered Accountants

Jay Shah  
Proprietor  
M.No. 134334

UDIN : 23134334B6WPP09673

Place : Mumbai  
Date : 29th May, 2023



For and on behalf of the Board of Directors

*V. D. Sanghavi*  
Mr Virendra D. Sanghavi  
Managing Director  
DIN: 00759176

Digitally signed by  
Jaydev Virendra  
Sanghavi  
Date: 2023.05.29  
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Mr Jaydev V. Sanghavi  
Executive Director & CFO  
DIN: 00759042

LEELA (Digitally signed)  
BISHT  
Date: 2023.05.29  
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Leela S. Bisht  
Company Secretary & Compliance Officer  
Membership No. ACS 59748

Place : Mumbai  
Page 2 of 3 Date : 29th May, 2023

AARVI ENCON LIMITED  
CIN: L29290MH1987PLC045499  
Consolidated Cash Flow Statement for the period ended March 31, 2023  
(All amounts are Rupees in lakhs unless otherwise stated)



Particulars	2022-23	2021-22
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	1,567.66	1,215.05
<b>Adjustments:</b>		
Depreciation & amortisation	122.83	102.36
Re-measurement of defined benefit obligation	2.31	4.07
Interest expense	204.24	73.13
Interest expense on Lease Liability	-	-
Interest income	(105.99)	(101.50)
Liabilities no longer required written back	-	-
Expected Credit Loss	95.67	68.63
Profit on sale of property, plant and equipment	-	-
Exchange (gain) / loss	1.26	1.66
Interest Income on Financial Assets at FVTPL	(1.42)	(1.46)
Loss on sale of property, plant and equipment	(1.05)	16.79
	317.86	163.69
<b>Operating cash flows before working capital changes and other assets</b>	<b>1,885.52</b>	<b>1,378.74</b>
Decrease/ (increase) in Trade receivables	(1,393.17)	(2,773.73)
Decrease/ (increase) in Financial Assets	428.62	(620.53)
Decrease/ (increase) in Other Assets	(58.91)	(9.90)
(Decrease)/increase in Trade Payables	(0.38)	476.00
(Decrease)/increase in Financial Liabilities	(344.59)	762.12
(Decrease)/increase in Other Liabilities	348.66	390.71
	(1,019.76)	(1,775.32)
<b>Cash generated from operations</b>	<b>865.75</b>	<b>(396.57)</b>
Income taxes refund / (paid), net	(544.46)	(644.44)
<b>Net cash generated from in operating activities</b>	<b>321.29</b>	<b>(1,041.01)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and CWIP	(118.35)	(94.87)
Proceeds from sale of property, plant and equipment	-	-
Purchase of intangible assets	-	-
Loan to Joint venture	-	-
Investment in Joint Venture	-	-
Movement in other bank balance	-	-
Movement in term deposits	-	-
Investment in Mutual funds	-	-
Interest Received	105.99	106.37
<b>Cash flows from investing activities</b>	<b>(12.36)</b>	<b>11.50</b>
Repayment of long-term borrowings	48.58	(25.09)
Net Proceeds from short -term borrowings	-	290.42
Proceeds from long -term borrowings	-	-
Lease Liability:	-	-
Principal	-	-
Interest	-	-
Dividend & Dividend Distribution tax	(221.76)	(295.69)
Interest paid	(204.24)	(78.02)
<b>Net cash used in financing activities</b>	<b>(377.42)</b>	<b>(108.38)</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>(68.49)</b>	<b>(1,137.90)</b>
Cash and cash equivalents at the beginning of the period	507.04	1,644.95
Cash and cash equivalents at the end of the period	438.55	507.04
	<b>(68.49)</b>	<b>(1,137.90)</b>

As per our report of even date

For Jay Shah & Associates  
Firm Registration No. 135424W  
Chartered Accountants

  
Jay Shah  
Proprietor

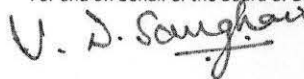
M.No. 134334

UDIN : 23134334804WPF09CT9



Place : Mumbai  
Date : 29th May, 2023

For and on behalf of the Board of Directors of

  
Virendra D. Sanghavi

Jaydev  
Virendra  
Sanghavi

Digitally signed by  
Jaydev Virendra  
Sanghavi  
Date: 2023.05.29  
19:17:29 +05'30'

Virendra D. Sanghavi  
Managing Director  
DIN:00759176

Jaydev V. Sanghavi  
Executive Director & CFO  
DIN:00759042

LEELA  
BISHT

Leela S. Bisht  
Company Secretary & Compliance Officer  
Membership No. ACS 59748

Place : Mumbai  
Date : 29th May, 2023

**INDEPENDENT AUDITOR'S REPORT**

**To The Members of  
Aarvi Encon Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited accompanying standalone financial statements of **Aarvi Encon Limited** (the "company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("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, 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 in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements sections 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 standalone financial statements under the provisions of the Act and 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 Standalone 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 financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**Key Audit Matter**

**1. Revenue Recognition**

The Company's contracts with customers include contracts with multiple services. The Company derives revenues from manpower supply and related services. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgement.



As certain contracts with customers involve management's judgment in (1) identifying distinct performance obligations, (2) determining whether the Company is acting as a principal or an agent, revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort.

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#### Auditor's Responses

##### Principal Audit Procedures

Our audit procedures related to the (1) identification of distinct performance obligations, (2) determination of whether the Company is acting as a principal or agent included the following among others:

- We tested the effectiveness of controls relating to the-
  - (a) identification of distinct performance obligations,
  - (b) determination of whether the Company is acting as a principal or an agent and
- We selected a sample of contracts with customers and performed the following procedures:
  - Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement.
  - Identified significant terms and deliverables in the contract to assess management's conclusions regarding the- (i) identification of distinct performance obligations (ii) whether the Company is acting as a principal or an agent

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#### Key Audit Matter

##### *2. Evaluation of Uncertain Tax Positions*

The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.

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#### Auditor's Responses

##### Principal Audit Procedures

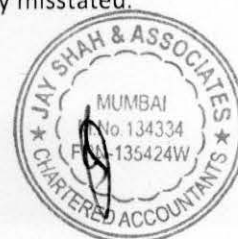
Obtained details of completed tax assessments and demands upto the year ending March 31, 2023 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

#### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



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

#### **Management's Responsibility for the Financial Statements**

The management and Board of Directors of the Company are 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 standalone 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 includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

- Identify and assess the risks of material misstatement of the Standalone 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 Act, we



are Company has adequate internal financial controls with reference to financial statements 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements, including the disclosure, 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 Financial Statements for the financial year ended March 31, 2023 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.

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

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



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

**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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraph 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including the Statement of 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 standalone financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounts Standard) Rules, 2015, as amended.
- e) On the basis of written representations received from the directors as on 31 March 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in 'Annexure 2'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 impacts its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. a) The management has represented that, to the best of its knowledge and belief, 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 or entity, 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, no funds have been received by the Company from any person or entity, 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; and
- c) Based on such audit procedures that were 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.
- v. The dividend declared/paid during the year and subsequent to the year-end by the Company is in compliance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Jay Shah & Associates.  
Chartered Accountants  
Firm Reg. No. 135424W



CA. Jay Shah  
(Proprietor)

Membership No. 134334  
UDINo. : 23134334BGWPFN7551



Place : Mumbai.  
Date : 29<sup>th</sup> May, 2023

**Aarvi Encon Limited**

**Annexure – 1 to the Independent Auditor's Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report that

- (I) (a) [A] The company is in process of maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

[B] The company is in process of maintaining proper records showing full particulars of Intangible assets.

(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 a regular program of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information & explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of 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 (including right of use assets) or intangible assets or both 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, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (II) (a) The Company being in service sector, does not hold any physical inventories. Accordingly, reporting under clause 3(ii)(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 been sanctioned and disbursed working capital limits of seven crore rupees during the year, in aggregate, from the banks or financial institutions on the basis of security of current assets and fixed assets. In our opinion, the statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

- (III) (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 made investments and also provided advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year.



Particulars	Investment	Advances in the nature of Loan
Aggregate Amount During the Year		
- Subsidiary Companies	Nil	3,25,00,000/-
- Associate Company	22,05,973/-	Nil
Amount Outstanding at the Balance Sheet date		
- Subsidiary Companies	67,43,328/-	3,77,95,778/-
- Associate Company	22,05,973/-	Nil

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are not prejudicial to the interest of the Company.

(c) 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, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans or advances in the nature of loans given to same parties.

(f) 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 or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to following Promoters, related parties as defined in the clause (76) of section 2 of the Companies Act, 2013.

- (IV) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (V) The Company has not accepted deposits from the public during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- (VI) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- (VII) (a) According to the information and explanation given to us and on the basis of our examination of books of accounts and records, the Company has been regular in depositing the statutory dues applicable to the company with the appropriate authorities.



(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service tax, provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, value added tax were in arrears, as at March 31, 2023 for a period of more than 6 months from the date on when they became payable, however an amount of Rs.8,87,520/- towards outstanding demand for TDS which is undisputed is unpaid for a period of more than 6 months as at 31<sup>st</sup> March 2023.

(c) According to the information and explanation given to us, there are no dues of sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax outstanding on account of any dispute subject to dues as per Income Tax Act, 1961 as given below :

Name of the Statute	Nature of Dues	Amounts (In Rs.)	Period to which the amount relates	Forum Where the dispute is pending
Income Tax Act, 1961	Income tax	2,58,50,875	A.Y-2017-18	CIT (Appeal)
Income Tax Act, 1961	Income tax	30,84,672	A.Y-2018-19	CIT (Appeal)
Income Tax Act, 1961	Income tax	1,16,07,077	A.Y. 2020-21	CIT (Appeal)

(VIII) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no such transactions found unrecorded in the books of accounts of the company which have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

(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 the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(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 willful defaulter by any bank or financial institution or government or government authority.

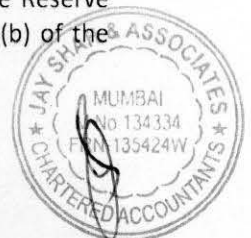
(c) In our opinion and according to the information and explanations given to us by the management, the reporting under clause 3(x)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no funds raised on short term basis have been utilized for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.



- (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
- (X) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x)(a) of the Order is not applicable.
- (b) Further according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year.
- (XI) (a) A case involving embezzlement of funds to the extent of Rs. 7,00,000/- (Rupees Seven Lakhs only), by the employee of the company, by falsification of records and documents reported during the year, out of which an amount of Rs. 6,00,000/- (Rupees Six Lakhs only) is outstanding as on date of this report. Apart from the above, during the course of our examination of books of accounts carried out by us in accordance with the generally accepted auditing practice in India, prima-facie no other instances of fraud on or by the company was noticed or reported during the year.
- (b) According to the information and explanation given to us no report under section 143(12) of Companies Act, was required to be filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit & Auditors) Rules 2014, with the Central Government.
- (c) As per information and explanation given by management and/or audit committee there were no whistle blower complaints received by the company during the year.
- (XII) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (XIII) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (XIV) (a) In our opinion and based on our examination, 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) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (XVI) (a) & (b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence reporting under clause 3 (xvi)(a) and 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, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.


(XVII) The company is generally profit-making company and there was no cash loss in the last financial year also.

(XVIII) There has been no resignation of the statutory auditors of the company during the year and hence reporting under 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 based on our examination of 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 audit report that Company is not capable of meeting its liabilities existing as at the balance date 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 no 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 Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Jay Shah & Associates.  
Chartered Accountants  
Firm Reg. No. 135424W

  
CA. Jay Shah  
(Proprietor)

Membership No. 134334  
UDINo.: 23134334BGWPFN7551



Place : Mumbai.  
Date : 29<sup>th</sup> May, 2023

**Aarvi Encon Limited**

**Annexure – 2 to the Independent Auditor’s Report**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Aarvi Encon Limited** (“the Company”) as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting commensurate to its size and nature of business and such internal financial controls over financial reporting were operating effectively as at 31 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.

For Jay Shah & Associates.  
Chartered Accountants  
Firm Reg. No. 135424W



CA. Jay Shah  
(Proprietor)

Membership No. 134334  
UDINo. : 23134334BGWPFN7551



Place: Mumbai.  
Date : 29<sup>th</sup> May, 2023

Statement of Audited Standalone Assets and Liabilities as on March 31, 2023  
(All amounts are in Rupees Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	955.85	974.60
(b) Right of Use Asset	-	-
(c) Other Intangible Assets	30.76	12.39
(d) Intangible Asset Under Development	-	-
<b>(e) Financial Assets</b>		
(i) Investments	89.49	67.43
(ii) Loans and Advances	472.62	120.70
(iii) Others	1,430.07	1,809.18
(f) Other non current assets	1,803.98	1,371.13
	<b>4,782.77</b>	<b>4,355.43</b>
<b>(2) Current Assets</b>		
<b>(a) Financial Assets</b>		
(i) Investments	-	-
(ii) Trade Receivable	7,873.50	6,923.58
(iii) Cash and cash equivalents	21.49	81.76
(iv) Other Bank Balances	227.20	218.98
(v) Loans and Advances	30.95	24.21
(vi) Others	826.60	1,357.22
(b) Other current assets	225.98	167.19
	<b>9,205.72</b>	<b>8,772.93</b>
<b>Total Assets</b>	<b>13,988.49</b>	<b>13,128.36</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity</b>		
(a) Equity Share capital	1,478.40	1,478.40
(b) Other Equity	7,896.97	6,704.74
	<b>9,375.37</b>	<b>8,183.14</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>(a) Financial Liabilities</b>		
(i) Borrowings	-	-
(ii) Lease Liability	-	-
(ii) Others	45.80	162.08
(b) Provisions	-	-
(c) Deferred Tax Liabilities (Net)	37.06	30.22
(d) Other Non-current liabilities	-	-
	<b>82.86</b>	<b>192.30</b>
<b>Current liabilities</b>		
<b>(a) Financial Liabilities</b>		
(i) Borrowings	340.30	643.03
(ii) Lease Liability	-	-
(iii) Trade payables	623.53	563.88
(iv) Others	2,103.30	2,437.27
(b) Other current Liabilities	1,453.30	1,104.00
(b) Provisions	9.85	4.75
(c) Liabilities for current tax (net)	-	-
	<b>4,530.27</b>	<b>4,752.92</b>
<b>Total Equity and Liabilities</b>	<b>13,988.49</b>	<b>13,128.36</b>

As per our report of even date

For and on behalf of the Board of Directors

For Jay Shah & Associates  
Firm Registration No. 135424W  
Chartered Accountants

Jay Shah  
Proprietor  
M.No. 134334  
UDIN: 2313433480110017551  
Place : Mumbai  
Date : 29th May, 2023



V. D. Sanghavi  
Virendra Sanghavi

Virendra D. Sanghavi  
Managing Director  
DIN: 00759176

Jaydev V. Sanghavi  
Executive Director & CFO  
DIN: 00759042

LEELA Bisht  
Company Secretary & Compliance Officer  
Membership No. ACS 59748

Place : Mumbai  
Date : 29th May, 2023

AARVI ENCON LIMITED  
CIN: L29290MH1987PLC045499  
Statement of Audited Standalone Results for the Quarter and Year ended March 31, 2023  
(All amounts are in Rupees lakhs, unless otherwise stated)



Particulars	Quarter Ended March 23	Quarter Ended Dec 22	Quarter Ended March 22	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from Operations	9,162.32	9,645.85	8,259.79	38,269.49	27,451.40
II Other Income	36.74	41.92	31.01	160.98	121.18
<b>III Total Revenue (I + II)</b>	<b>9,199.06</b>	<b>9,687.77</b>	<b>8,290.80</b>	<b>38,430.47</b>	<b>27,572.58</b>
<b>IV Expenses:</b>					
Employee Benefit Expenses	6,935.29	7,365.70	6,379.78	28,858.18	21,499.32
Finance Cost	46.55	53.93	27.66	175.90	73.13
Depreciation and amortisation expense	33.74	32.46	22.05	119.07	101.80
Other Expenses	1,883.55	1,911.59	1,563.93	7,747.55	4,659.05
<b>Total Expenses (IV)</b>	<b>8,899.12</b>	<b>9,363.67</b>	<b>7,993.42</b>	<b>36,900.70</b>	<b>26,333.30</b>
<b>V Profit/(Loss) Before Tax (III-IV)</b>	<b>299.94</b>	<b>324.10</b>	<b>297.39</b>	<b>1,529.77</b>	<b>1,239.28</b>
<b>VI Tax Expense</b>					
1. Current Tax	69.40	36.45	11.00	111.25	11.00
2. Short/Excess Provision of Tax	-	-	-	-	-
3. Deferred Tax (Credit)/Charge	(4.72)	3.79	(3.80)	6.84	(2.67)
<b>Total Tax Expenses (VI)</b>	<b>64.68</b>	<b>40.24</b>	<b>7.20</b>	<b>118.09</b>	<b>8.33</b>
<b>VII Profit/(Loss) for the year (V-VI)</b>	<b>235.26</b>	<b>283.86</b>	<b>290.19</b>	<b>1,411.67</b>	<b>1,230.94</b>
<b>VIII Other comprehensive Income</b>					
<b>A (i) Items that will not be reclassified to profit or loss</b>					
Re-measurement gains/ (losses) on defined benefit plans	2.31	-	4.07	2.31	4.07
(ii) Income Tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	-
<b>Other Comprehensive Income for the year, net of tax</b>	<b>2.31</b>	<b>-</b>	<b>4.07</b>	<b>2.31</b>	<b>4.07</b>
<b>XIV Total comprehensive income for the year</b>	<b>237.57</b>	<b>283.86</b>	<b>294.26</b>	<b>1,413.98</b>	<b>1,235.02</b>
Earnings per Share					
Basic & Diluted	1.59	1.92	1.96	9.55	8.33
Nominal Value per share of Rs.10 each					

**Notes**

- In terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended, the aforesaid statement of audited standalone financial results for quarter and year ended March 31, 2023, audited statement of assets and liabilities as at March 31, 2023 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2023. The aforesaid results for the quarter and year ended March 31, 2023 have been audited by the statutory auditors of the Company.
- The financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (IND-AS) prescribed under section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder.
- The Company hereby gives a declaration that the signing directors are duly authorized by the board of directors to sign the financial results.
- The Company has only one business segment i.e. "Technical Manpower Outsourcing".
- The figures for the quarter ended March 31, 2023 and corresponding quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year upto March 31, 2023 and March 31, 2022 respectively and the unaudited year to date figures upto December 31, 2022 and December 31, 2021 respectively, being the date of the end of the third quarter of the respective financial year, which were subjected to limited reviews.
- The Board of Directors has proposed a Final Dividend @ 20% on the Equity shares of face value of Rs. 10/- each i.e. Re. 2/- (Rupees Two only) per share subject to the approval of the members of the Company at the ensuing 35th Annual General Meeting of the Company.
- The figures of the previous periods have been regrouped/ reclassified, wherever necessary.
- The above standalone financial results of the Company are available on the Company's website (www.aarviencon.com) and also on the website of NSE (www.nseindia.com), where the shares of the Company are listed.

As per our report of even date

For Jay Shah & Associates  
Firm Registration No. 135424W  
Chartered Accountants

Jay Shah  
Proprietor  
M.No. 134334  
UDIN : 2313433484WPE17551  
Place : Mumbai  
Date : 29th May, 2023



For and on behalf of the Board of Directors

*V. D. Sanghavi*

Mr Virendra D. Sanghavi  
Managing Director  
DIN: 00759176

Digitally signed by  
Jaydev Virendra  
Sanghavi  
Date: 2023.05.29  
19:18:33 +05'30'

Mr Jaydev V. Sanghavi  
Executive Director & CFO  
DIN: 00759042

LEELA  
BISHT

Leela S. Bisht  
Company Secretary & Compliance Officer  
Membership No. ACS 59748

Place : Mumbai  
Date : 29th May, 2023

**AARVI ENCON LIMITED**  
CIN: L29290MH1987PLC045499  
Standalone Cash Flow Statement for the Year ended March 31, 2023  
(All amounts are in Rupees lakhs unless otherwise stated)



Particulars	2022-23	2021-22
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	1,529.77	1,239.28
<b>Adjustments:</b>		
Depreciation & amortisation	119.07	101.80
Re-measurement of defined benefit obligation	2.31	4.07
Interest expense	175.90	73.13
Interest expense on Lease Liability	-	-
Interest income	(105.98)	(106.37)
Liabilities no longer required written back	-	-
Expected Credit Loss	95.67	68.63
Loss on sale of property, plant and equipment	(1.05)	16.79
	285.93	158.05
<b>Operating cash flows before working capital changes and other assets</b>	<b>1,815.69</b>	<b>1,397.33</b>
Decrease/ (increase) in Trade receivables	(1,045.59)	(2,120.39)
Decrease/ (increase) in Financial Assets	542.84	(648.90)
Decrease/ (increase) in Other Assets	(58.79)	(12.20)
(Decrease)/increase in Trade Payables	59.64	128.54
(Decrease)/increase in Financial Liabilities	(450.25)	773.52
(Decrease)/increase in Other Liabilities	354.42	376.58
	(597.74)	(1,502.85)
<b>Cash generated from / used in operations</b>	<b>1,217.95</b>	<b>(105.52)</b>
Income taxes refund / (paid), net	(544.10)	(645.75)
<b>Net cash generated from / used in operating activities</b>	<b>673.85</b>	<b>(751.27)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and CWIP	(117.65)	(88.75)
Investment in Shares of Wholly Owned Subsidiary	(22.06)	-
Interest Received	105.98	106.37
<b>Net cash generated from investing activities</b>	<b>(33.73)</b>	<b>17.62</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term borrowings	-	-
Net Proceeds from short -term borrowings	-	290.42
Repayment of short -term borrowings	(302.73)	-
Lease Liability:		
Principal	-	-
Interest	-	-
Dividend & Dividend Distribution tax	(221.76)	(295.69)
Interest paid	(175.90)	(73.13)
<b>Net cash used in financing activities</b>	<b>(700.39)</b>	<b>(78.40)</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>(60.27)</b>	<b>(812.05)</b>
Cash and cash equivalents at the beginning of the period	81.76	893.81
Cash and cash equivalents at the end of the period	21.49	81.76
	<b>(60.27)</b>	<b>(812.05)</b>

As per our report of even date

For and on behalf of the Board of Directors of

For Jay Shah & Associates  
Firm Registration No. 135424W  
Chartered Accountants

Jay Shah  
Proprietor  
M.No. 134334  
UDIN: 23134334BQWPFN7551



*V. D. Sanghavi*

Virendra D. Sanghavi  
Managing Director  
DIN:00759176

Jaydev Virendra Sanghavi  
Digitally signed by Jaydev Virendra Sanghavi  
Date: 2023.05.29 19:18:52 +05'30'

Jaydev V. Sanghavi  
Executive Director & CFO  
DIN:00759042

LEELA  
BISHT

Leela S. Bisht  
Company Secretary & Compliance Officer  
Membership No. ACS 59748

Place : Mumbai  
Date : 29th May, 2023

Place : Mumbai  
Date : 29th May, 2023  
Page 3 of 3



# Aarvi Encon Limited

CIN : L29290MH1987PLC045499  
(ISO 9001 : 2015 & ISO 45001 : 2018)

Regd. Office : B1- 603, 6th Floor, Marathon Innova, Marathon Nextgen Complex,  
Opp. Peninsula Park, Lower Parel, Mumbai - 400 013, India.



To,  
National Stock Exchange of India Exchange Plaza,  
C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai- 400051.

Date: May 29, 2023

**Sub: Intimation for Declaration of Unmodified Opinion under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.**

Dear Sir,

We hereby confirm and declare that the Statutory Auditors of the Company i.e. M/s. Jay Shah & Associates., Chartered Accountants, have issued the Audit Report on Standalone & Consolidated Financial Results of the Company for the quarter and Year ended March 31, 2023 with unmodified opinion.

This is for your information and record.

Thanking you,  
Yours faithfully,

For Aarvi Encon Limited

*V. D. Sanghavi*



**Virendra Sanghavi**  
**Managing Director**  
**DIN: 00759176**