E-mail : info@aarviencon.com
Website : www.aarviencon.com

Tel. : 91-22-4049 9999
Fax : 91-22-4049 9998

Aarvi Encon Limited

Formerly known as Aarvi Encon Private Limited
CIN : L29290MH1987PLC045499
(ISO 9001 : 2015 & OHSAS 18001 : 2007)
Regd. Office : B1-603, 6th Floor, Marathon Innova, Marathon Nextgen Complex,
Opp. Peninsula Park, Lower Parel, Mumbai - 400 013, INDIA.

AEL/NSE/2020-21/25 Date:- August 31, 2020

To,
National Stock Exchange of India (NSE) Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

NSE Symbol: AARVI
NSE Series: EQ

Sub: - Notice of the 32nd Annual General Meeting of the Members of the Company and the Annual Report for the FY 2019 – 20.

Dear Sir/Madam,

This is to inform that 32nd Annual General Meeting (AGM) of the Company will be held on Tuesday, September 22, 2020 at 11.00 A.M (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

In compliance with the relevant circulars, the Annual Report for the financial year 2019- 20, comprising the Notice of the AGM and the standalone and consolidated financial statements for the financial year 2019-20, along with Board's Report, Auditors' Report and other documents required to be attached thereto, will be sent to all the members of the Company whose email addresses are registered with the Depository Participant(s)/ Registrar and Share Transfer Agent of the Company.

The Notice of 32nd AGM and Annual Report for the FY 2019 - 2020 are also available on the website of the Company, i.e. www.aarviencon.com

This is for your information and dissemination purpose to all the concerned.

Thanking you,
Yours faithfully,
For **Aarvi Encon Limited**

Jay Harish Shah
Digitally signed by Jay Harish Shah
Date: 2020.08.31 19:27:02 +05'30'

Jay H. Shah
Company Secretary and Compliance Officer
Membership No. A45556

NOTICE OF 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

Notice is hereby given that Thirty Second Annual General Meeting (Third AGM post IPO of the Company) of the members of Aarvi Encon Limited will be held on Tuesday, September 22, 2020, via video conference ("VC") / other Audio-Visual means ("OAVM") at 11.00 A.M., to transact following business;-

ORDINARY BUSINESS;-

1. To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, to pass the following resolutions as Ordinary Resolutions with or without modification(s):

   (a) "**RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   (b) "**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To Appoint a Director in place of Mr. Jaydev V. Sanghavi (DIN: 00759042), Executive Director of the Company, who retires by rotation and being eligible, offered himself for re-appointment and in this regards, to pass the following resolution as an Ordinary resolution with or without modification(s):

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Jaydev V. Sanghavi (DIN: 00759042), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

3. To Declare Dividend on equity shares for the financial year ended March 31, 2020 and in this regard, to pass the following resolution as an Ordinary Resolution with or without modification(s) :

   "**RESOLVED THAT** a dividend @10% i.e Re. 1/- (Rupee One only) per equity share of the face value of Rs. 10/- (Ten rupees) each fully paid-up of the Company, as recommended by the Board of Directors of the Company, be and is hereby approved and declared for the financial year ended March 31, 2020 and the same be paid out of the profits of the Company for the financial year ended March 31, 2020."

SPECIAL BUSINESS:-

4. **TO APPOINT MR. SHARAD S. SANGHI (DIN: 00265977) AS A DIRECTOR OF THE COMPANY.**

   To consider and, if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152,and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Here in after refer to as SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force),Mr. Sharad S. Sanghi (DIN: 00265977) who was appointed as an Additional Director, Independent, Non-Executive by the Board of Directors of the Company pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting (AGM) and being eligible offers himself for appointment as an Independent Director and in accordance with the recommendation of the Nomination and Remuneration Committee and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (five) years commencing from June 03, 2020.

   RESOLVED FURTHER THAT Mr. Jaydev V. Sanghavi, Executive Director & CFO and/or the Company Secretary of the Company, be and are hereby authorised to file relevant forms with the Registrar of Companies, Mumbai and to do such other acts, deeds and things as may be considered necessary in this regard."

5. **TO APRROVE REMUNERATION OF MR. VIRENDRA D. SANGHAVI (DIN: 00759176), MANAGING DIRECTOR OF THE COMPANY FOR FINANCIAL YEAR (FY) 2020-21 AND 2021-22.**

To consider and, if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution;

"**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company, consent of the Members be and is hereby accorded to approve the remuneration of Mr. Virendra D. Sanghavi (DIN: 00759176) for the Financial Year (FY) 2020-21 and 2021-22 as stated in the statement annexed to the notice.

RESOLVED FURTHER THAT pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Act, in the event of loss or inadequacy of profit for any financial year during the remaining tenure of Mr. Virendra D. Sanghavi as Managing Director, the maximum remuneration payable to him in terms of the provisions of Schedule V to the Companies Act, 2013 shall not exceed Rs. 1,68,00,000/- (Rupees One Crore Sixty Eight Lakhs Only) per year.

RESOLVED FURTHER THAT Mr. Virendra D. Sanghavi shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) be and are hereby authorized to vary and/or modify the remuneration which shall be within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto and the Board shall have absolute powers to decide breakup of the remuneration within the above said maximum permissible limit and to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

By Order of the Board of Directors

Sd/-
Jay H. Shah
Company Secretary and Compliance Officer

Date: June 30, 2020
Place: Mumbai

Registered Office:
603, B1 Wing, Marathon Innova,
Marathon Nextgen Complex,
Lower Parel (West), Mumbai – 400 013.
CIN:L29290MH1987PLC045499
Tel: 022-4049 9999
Email: info@aarvienon.com
Website: www.aarviencon.com

NOTES:

1. Explanatory Statement according to the provisions of Section 102 of the Companies Act, 2013 read with The Company (Management and Administration) Rules, 2014 in respect of the special businesses to be transacted at the AGM, is annexed hereto.

2. All documents referred to in the accompanying Notice and the statements, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act are available electronically for inspection by the members. Any member seeking inspection of such documents can visit website i.e. www.aarviencon.com.

3. Members holding shares in dematerialized mode are requested to notify immediately in case of any change in their email addresses and other communication details to the depository participant to enable us to send you the quarterly reports and other communications via email.

4. Corporate Members are required to send to the Company a certified true copy of Board resolution pursuant to section 113 of the Companies Act 2013 together with the specimen signature authorizing their representative to attend the meeting throughVC / OAVM and vote on their behalf at the meeting or through remote e-voting.

5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member at the earliest. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

7. Details pursuant to Secretarial Standard -2 issued by the Institute of the Company Secretaries of India (ICSI) in respect of the Directors seeking appointment/ re-appointment/approval for remuneration at the Annual General Meeting is provided in "Annexure" to the notice and forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

8. Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting forms an integral part of the Notice and the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.

9. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA circulars") permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act and MCA circulars, SEBI LODR Regulations, 2015 the AGM of the Company is being held through VC / OAVM. In compliance with the aforesaid MCA circulars and SEBI circular the notice of AGM along with Annual Report for the financial year 2019 - 20 is being sent only through electronic mode to all the members whose email IDs are registered with the Company/ Depository Participant(s). Members may note that the Notice and Annual report for financial year 2019-20 will also available on the company's website i.e https://www.aarviencon.com/home/annual_reports/, website of the Stock Exchange_i.e. National Stock Exchange of India Limited at www.nseindia.com.

    1. Non-resident Indian members are requested to inform the Company on jay.shah@aarviencon.com or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.

    2. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.

    3. This notice is being sent to all members of the Company whose name appears in the Register of Members/ list of beneficiaries received from the depositories on the end of **August 28, 2020**.

    4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM where physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of

proxies will not be available for the AGM and hence proxy form and attendance slip are not annexed to this notice.

5. The AGM will be held through Video Conference (VC / OAVM), the route map of the venue of the Meeting is not required to be annexed in this Notice.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

7. The dividend on equity shares as recommended by the Board of Directors, if declared, at the meeting shall be paid to the members whose names are registered in the Register of Members / Beneficial owners as on **September 11, 2020**. Members may please note for shares held in electronic form and /or physical form, complete bank details as registered with the depository participants / Company shall be used for the payment of dividend. Members are hereby requested to register / update (in case of any change) complete bank account details with the depository participants for shares in dematerialized mode by submitting requisite documents.

8. Dividend as recommended by the Board of Directors, if declared at the AGM, shall be dispatched / remitted commencing from the day after the AGM i.e. September 22, 2020.

9. In case the Company is unable to pay the dividend to any shareholder through electronic mode due to non availability of bank account details, the Company shall upon normalization of the postal services, dispatch the dividend warrant / cheque to such shareholder by post.

10. Members are requested to note that dividend which has been declared but not paid and / or claimed within thirty days from declaration shall be transferred to "Unpaid dividend account" of the Company in seven days from expiry of said thirty days in accordance with section 124 of the Act. Further, dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund.

11. Rule 3 of the Companies (Management and Administration) Rules 2014, mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member is a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.

12. No gifts shall be provided to members before, during or after the AGM.

13. Members may, pursuant to section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014, file nomination in prescribed form SH-13 with the respective depository participant.

Instructions for joining the AGM through VC/OAVM:

14. The Company has obtained services from National Security Depository Ltd. (NSDL) for conducting e-AGM and providing e-voting facility including remote e-voting facility. Facility of e-voting at the AGM is a two way teleconferencing or zoom or googlemeet for ease of participation.

15. Members who seeks technical assistance with using of technology before or during the meeting may contact NSDL e-voting helpdesk. Kindly quote your folio no. / DP ID-client ID and e-voting event number in all your communications.

16. The facility of joining the AGM through VC / OAVM shall be kept open for at least 15 minutes before the time schedule of the meeting and shall not be closed till expiry of 15 minutes after such schedule time.

17. Members who may like to provide their views / ask questions during the AGM can submit to jay.shah@aarviencon.com their views / questions in advance on or before September 15, 2020. Those members who register themselves as speaker(s) will be allowed to provide views / ask questions during the AGM. The Company reserves the rights to restrict the number of questions and number of speakers, depending upon the availability of time for smooth conduct of the AGM.

18. Facility of joining the AGM through Video Conference (VC/ OAVM) shall be available for all members of the Company as on the cut off date for e-voting including, the large shareholders (i.e shareholders holding 2% or more shareholding), promoters, institutional investors, if any, directors, key managerial personnel, the chairpersons of Audit committee, Nomination and Remuneration committee and stakeholders relationship committee, auditors, etc. Members under category of Institutional investors, if any, are encouraged to attend and vote at the AGM.

Instructions for Remote e-voting and e-voting at the AGM:

19. In accordance with the provisions of Section 108 and other applicable provisions of the Companies Act 2013, if any, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI Listing Regulations, the Company is offering e-voting facility to all the members of the Company and business may be transacted through such remote e-voting. Members can cast their votes online from 10.00 A.M (IST) on Thursday, September 17, 2020 to 5.00 P.M (IST) on Monday, September 21, 2020.
20. During this period shareholders of the Company, holding shares either in dematerialized form and physical form, as on the cut – off date which is Friday, August 28, 2020 may cast their votes through remote e-voting. Once the Members have cast their vote through remote e-voting, he/she shall not be allowed to change it subsequently or cast vote again.
21. After the said time, the remote e-voting facility shall be disabled by NSDL and the Members will not be able to cast their vote electronically beyond the date and time mentioned above.
22. In case of joint shareholders, the members whose name appears as the first holder as per the Register of members of the company shall be entitled to vote at the AGM.
23. Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
24. Facility of voting through electronic voting system would also be available at the AGM and members who are present in the meeting through VC / OAVM and have not cast their vote on resolutions through remote e-voting and are otherwise not barred from doing so, shall be allowed to vote through e-voting system in the meeting.
25. The Board of Directors has appointed Bhatt & Associates Company Secretaries LLP, Practising Company Secretaries, to act as the Scrutinizer for conducting the remote e-voting and electronic voting process at the AGM in a fair and transparent manner.
26. Procedure and instructions of remote e-voting are detailed below:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Thursday, September 17, 2020 at 10:00 A.M. and ends on Monday, September 21, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

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

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

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

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

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

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

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to aashish@aashishbhatt.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned

copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@aarviencon.com

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to jay.shah@aarviencon.com.

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

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

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

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at jay.shah@aarviencon.com.
6. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at jay.shah@ aarviencon.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

27. In case of any queries or issues regarding e-voting, you may contact to NSDL e-voting helpdesk for any grievances connected to e-voting before or during the AGM.
28. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 28, 2020, may obtain their User ID and Password from NSDL and vote electronically by following the aforementioned procedure. Any person who is not a member as on the cut off date shall treat this notice for information purpose only.
29. The Scrutinizer will after the conclusion of the e-voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-voting and prepare a consolidated report. The resolutions shall be deemed to be passed on the date of meeting i.e September 22, 2020, subject to the receipt of the requisite number of votes.
30. The Scrutinizer shall submit his consolidated report to the Chairman or any person authorized by him. The results shall be announced with in 48 hours from the conclusion for the AGM. The results of AGM along with the consolidated scrutinizer's report shall be submitted to the stock exchange where its shares are listed at www.nseindia.com and uploaded on the website of the Company at https://www.aarviencon.com/home/announcements.

For and on behalf of Aarvi Encon Limited

Sd/-
Jay H. Shah

Company Secretary and Compliance Officer

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

ORDINARY BUSINESS:-

Item No. 2 :

Profile of Mr. Jaydev V. Sanghavi, Executive Director of the Company as per Secretarial Standard -2 issued by The institute of Company Secretaries of India (ICSI) are mentioned below and regulation 36(3) of SEBI LODR Regulations, 2015;

Name of the Director	Mr. Jaydev V. Sanghavi
DIN	00759042
Age	49 years
Qualifications	Chemical Engineering Graduate from Mumbai University.
Experience including expertise in specific functional areas / Brief Resume	He is working with the Company since last 25 years and handled various assignments as a Project Coordinator, Business Development Manager, Operations Manager and now Executive Director. He has played a crucial role in developing strategic Business Tie-ups and delivering several large & complex projects successfully. In 1996 he identified a niche Business Opportunity in the project consulting of HR and thus came about a Manpower Supply division which he heads today. He is biggest contributor in establishing & expanding Manpower Division. Mr. Jaydev has been instrumental in growth of Aarvi Encon. Under his leadership the Company has become largest Technical Staffing company in India with offices at major location in India. He is instrumental in setting up offices in Qatar, UAE, Saudi Arabia.
terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the Board Resolution dated July 17, 2020 and Members Resolution dated July 24, 2020.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)
date of first appointment on the Board	November 09, 2005
Shareholding in the company as on 31 March, 2020	14.68% (21,70,000)
relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the son of Mr. Virendra D. Sanghavi, Managing Director of the Company. Except Mr. Virendra Sanghavi, he is not related to any other director and/or KMP of the company
number of Meetings of the Board attended during the year	There were total 4 (four) board meetings held during the year. He has attended all the board during the FY 2019-20.
other Directorships, Membership/ Chairmanship of Committees of other Boards	He is a Director in the following Companies; 1. Aarvi Engineering & Consultants Pvt Ltd. 2. Beetle Ventures Private Limited 3. Energyjobz Services Private Limited

SPECIAL BUSINESS:-

Item no. 4

4. APPOINTMENT OF MR. SHARAD S. SANGHI AS DIRECTOR (DIN: 00265977) OF THE COMPANY.

Mr. Sharad S. Sanghi (DIN: 00265977) on recommendation of Nomination and Remuneration Committee was appointed by the Board of directors as an Additional Independent Directorof the Company with effect from June 03, 2020 in terms of Section 161 of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company and he holds office as an Additional Independent Director up to the date of forthcoming AGM.

The Board believes that his immense knowledge and years of experience in the Information technology field will enable the Company to tap the new opportunities in the IT Industry through his guidance and support.

Under section 149 of the Companies Act, 2013 read with Schedule IV of the Act, appointment of Independent Director requires approval of Members. Based on recommendation of Nomination and Remuneration, the Board of Directors had proposed his appointment as an Independent Director, not liable to retire by rotation, for a term of 5 (Five) years commencing from June 03, 2020, subject to approval of Members in ensuing Annual General Meeting.

Mr. Sanghi is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. He has also provided a declaration to the Board that he meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of Board, Mr. Sanghi fulfils the conditions specified in the Act and the rules made there under and that he is independent of the management and possess appropriate skills, expertise and knowledge that will enable him to discharge his duties, roles and functions as an Independent director during his tenure.

Profile of Mr. Sharad S. Sanghi (DIN: 00265977) as per Secretarial Standard -2 issued by The Institute of Company Secretaries of India (ICSI) are mentioned below and regulation 36(3) of SEBI LODR Regulation, 2015:

Name of the Director	Mr. Sharad S. Sanghi
DIN	00265977
Age	54 years
Qualifications	Electrical Engineer from IIT Bombay and holder of a Master's degree from Columbia University, New York.
Experience including expertise in specific functional areas / Brief Resume	Mr. Sharad Sanghi is the Managing Director and CEO of Netmagic, an organization that he founded in July 1998, and now an NTT Communications Group Company based in Japan. Mr. Sanghi is responsible for growing Netmagic to be India's leading Managed Hosting and Cloud Service Provider, with over 1100 employees and 9 data centres delivering services to over 2000 enterprise customers across the globe. His passion and commitment to deliver value to clients by building a customer focused service organization is infectious across the company. Mr. Sanghi is considered a pioneer in the Indian cloud computing space, and his vision has helped Netmagic become a leader in the Public Cloud services market in India. On the business side, he led Netmagic through 3 successful VC funding rounds with Nexus Venture Partners, Fidelity, Cisco Systems and Nokia Growth Partners. He led the 2012 acquisition of the company's majority stake by NTT Communication Japan - a first in the Indian data centre market. Mr. Sanghi is an industry veteran with over 20 years of extensive experience in developing Internet backbone infrastructure and providing Internet services. He is also Part time Non-official Director on the Board of Bharat Electronics Limited, appointed by the Government of India. During a six-year stint in the US, Mr. Sanghi worked for Unified Network Management Architecture Group at AT&T Bell Labs, the Backbone Engineering Group of NSFNET (ANS) and the Router Systems Development Group of Advantis (IBM Global Network). He has also helped Merrill Lynch and Bankers Trust design and deploy Wide Area Networks.

Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the Board Resolution dated June 03, 2020 and the Letter of Appointment executed between the Company and Mr. Sharad S. Sanghi. He shall be paid sitting fees within the overall limits of the Companies Act, 2013 and rules made thereunder for attending Board and Committee meetings.
Date of first appointment on the Board	June 03, 2020
Shareholding in the company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is not related to any Director or other Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the year.	NIL.
Other Directorships, Membership/ Chairmanship of Committees of other Boards	He is a Director in the following Companies; 1. Netmagic Solutions Private Limited 2. National Internet Exchange Of India 3. NTT Communications India Private Limited 4. Netmagic Stock Holding Private Limited 5. Netmagic IT Services Private Limited\ 6. NTT Communications India Network Services Private Limited

As per Section 160 of the Companies Act, 2013, the company has received a notice from a member proposing candidature of Mr. Sharad S. Sanghi for office of Independent Director of the Company.

The terms and conditions of appointment of independent directors are available for inspection on the website of the company by any member on https://www.aarviencon.com/home/appointment_letters.

This notice may be treated as information to the members about his candidature to the office of directorship of the Company under section 160(2) read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and disclosures required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Sharad S. Sanghi is interested in the resolution as set out in item no. 4 of the Notice and his relatives may be deemed to interested in this resolution to the extent of their shareholding, if any, in the company.

Save and except of above, none of the other Directors, Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in item no. 4 of the notice.

Accordingly, the Board recommends the said resolution as an Ordinary resolution for the appointment of Mr. Sharad S. Sanghi as Director for the approval of the shareholders of the Company.

5. APRROVAL FOR REMUNERATION OF MR. VIRENDRA D. SANGHAVI (DIN: 00759176), MANAGING DIRECTOR OF THE COMPANY FOR FY 2020-21 AND 2021-22.

Item No. 5

Mr. Virendra D. Sanghavi, Promoter & Founding Director of Aarvi Encon is serving the company as Managing Director.

Mr. Virendra D. Sanghavi on recommendation of Nomination and Remuneration Committee was re-appointed by the Board as Managing Director of the Company for 5 years w.e.f July 15, 2017 on the terms, conditions and remuneration as specified in agreement dated July 24, 2017 executed between the Company and Mr. Virendra D. Sanghavi.

As per provisions of the Schedule V of Companies Act, 2013, the remuneration of the managerial personnel shall be fixed for not more than 3 years. Hence, the approval for remuneration of Mr. Virendra D. Sanghavi, Managing Director has been taken on July 17, 2017 for three years only. The approval for the remuneration of the remaining two years is required to be taken to comply with requirements of the provision of the Schedule V of the Companies Act, 2013 (“the Act”).

The Board on recommendation of Nomination and Remuneration Committee subject to the approval of members has approved the remuneration for next two years i.e financial year 2020-21 and 2021-22. The remuneration shall be same as paid to him in the financial year 2019-20.

In lieu of above, the Company is seeking the approval of the members for confirming the same remuneration as paid in the FY 2019-20 for the next two years i.e FY 2020-21 and 2021-22. There is no change in the remuneration of Mr. Virendra D. Sanghavi, Managing Director of the Company for the next two years.

Copy of contract or memorandum as entered between the Company and Mr. Virendra D. Sanghavi in terms of Section 190 of the Act is available for inspection on the website of the Company on https://www.aarviencon.com/home/announcements.

Profile of Mr. Virendra D. Sanghavi, Managing Director of the Company as per Secretarial Standard -2 issued by The institute of Company Secretaries of India (ICSI) are mentioned below:

Name of the Director	Mr. Virendra D. Sanghavi
DIN	00759176
Age	78 years
Qualifications	Chemical Engineering Graduate from Mumbai University.
Experience	Mr. Sanghavi has more than 48 years of experience and excellent track record in design, development, construction and operation of process plants in India and Internationally. He has diverse experience of working with various Engineering, Lubricant, Petrochemical, and Pharmaceutical companies such as Merck Sharp & Dohme India Ltd., Lubrizol India Ltd. Aker Solution (Erstwhile Davy Powergas) and Bhansali Engineering Polymers Ltd where he has made substantial contributions in growth of these companies and left his mark. He was a visiting lecturer of Institute of Chemical Technology, Matunga teaching piping engineering, his favourite subject to third year students. He is Past President and on the Board of Governors of UDCT Alumni Association, he has been the Honorary Treasurer of Indian Institute of Chemical Engineers. He is recipient of NOCIL Award for Excellence in Consultancy Services form Indian Institute of Chemical Engineers. Under his leadership, the Company has received Star SME Award sponsored by Business Today and YES Bank in the year 2010. It has also received CFBP "Jamnalal Bajaj Award" for 'Fair Business Practices' at the hands of Late Dr. APJ Abdul Kalam, former President of India in the year 2014. Mr. Sanghavi recently was recognized in the list of India's Top 100 Great People Managers by the Great Manager Institute in association with the Forbes India.
terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the Board Resolution dated July 17, 2020 and Members Resolution dated July 24, 2020.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)
Date of first appointment on the Board	December 03, 1987
Shareholding in the company as on 31 March 2020	29.36% (43,40,000)
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the father of Mr. Jaydev Sanghavi, Executive Director & CFO of the Company. Except for Mr. Jaydev Sanghavi, he is not related to any other director and/or Key Managerial Personnel
Number of Meetings of the Board attended during the year	There were total 4 (four) board meetings happened during the year. He has attended all the board during the FY 2019-20.

other Directorships, Membership/ Chairmanship of Committees of other Boards	He is a Director in the following Companies; 1. Aarvi Engineering & Consultants Pvt Ltd.

Statement required pursuant to the provisions of Schedule V of the Companies Act, 2013:

I. General Information:

1. Nature of industry

The Company is one of the leading technical manpower outsourcing company providing engineers, designers, on secondment / deputation to companies, dedicated to the Energy Sector, Oil & Gas, Power, LNG, PNG, refinery, Petrochemical, Pipeline, Wind power, Solar Power, Offshore, E&P, Infrastructure, Ports & Terminals, Telecom, Fertilizers, Cement, Automobile, Metro & Mono Rail, Railway, Metals and Minerals, Information Technology Sectors.

2. Date or expected date of commencement of commercial production : December 03, 1987

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable.

4. Consolidated financial performance based on given indicators

(Rs. In Crores)

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Gross Sales & Other Operating Income	218.64	207.25	175.01
Profit Before Tax	6.95	10.12	9.54
Profit After Tax	7.17	8.63	7.77
Paid up Equity Capital	14,78,40,000/-	14,78,40,000/-	14,78,40,000
Reserves & Surplus	61.54	55.40	47.36

5. Foreign investments or collaborations, if any. – Not Applicable.

II. Information about the appointee:

1. Job profile and his suitability :

Mr. Virendra D. Sanghavi, is a Promoter & Founding Director of Aarvi Encon is serving the company as Managing Director. He has made substantial contributions in growth of these companies and left his mark. His role in the Company as Managing Director of the Company is most suitable considering his present role in the Company's day to day management.

2. Remuneration proposed :

Mentioned in the table providing disclosures as per Secretarial standards -2 by ICSI

3. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration paid to Mr. Virendra D. Sanghavi is commensurate with the size of the Company, nature of its operations and is in line with the industry standards.

4. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

There exists no pecuniary relationship of Mr. Virendra D. Sanghavi directly or indirectly with the Company or relationship with the Managerial Personnel in terms of the Companies Act, 2013 except to the extent of remuneration paid to him.

III. Other information:

1. Reasons of loss or inadequate profits

At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.

2. Steps taken or proposed to be taken for improvement.

   The Company is continuously looking at the new business opportunities to grow.

3. Expected increase in productivity and profits in measurable terms.

   It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability may improve and would be comparable with the industry average.

Mr. Virendra D. Sanghavi is interested in the proposed resolution as set out in item no. 5 of the notice and his relatives may be deemed to be interested in this resolution to the extent of their shareholding, if any, in the Company .

Save and except of above, none of the other Directors , Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in item no. 5 of the notice.

Accordingly the Board recommends the said resolution as a special resolution for the approval of remuneration of Mr. Virendra D. Sanghavi.

For and on behalf of
Aarvi Encon Limited

Sd/-
Jay H. Shah
Company Secretary and Compliance Officer

aarvi®

Engineering • Manpower • Outsourcing

Talent on Demand

CERTIFIED ISO 9001:2015 CERTIFIED

CERTIFIED ISO 45001:2018 CERTIFIED

Annual Report 2019-20

Website : www.aarviencon.com

aarvi®

Awards/Accolades

Certificate Of Recognition

In Partnership with: Forbes

GREAT MANAGER INSTITUTE

PROUDLY PRESENTED TO

Virendra D Sanghavi

Aarvi Encon Limited

Recognized as one of the Top 100 Great People Managers in the Great People Manager" Study 2019.

Ashwin Srivastava

Co-Founder, Great Manager Institute

Mr. Virendra D. Sanghavi was recognized in the list of India's Top 100 Great People Managers by the Great Managers Institute in association with the Forbes India in the year 2019.

ALL INDIA ACHIEVERS & RESEARCH ACADEMY

Registered Under Societies Registration No.29/74 Act XXVII 1960

Certificate for Outstanding Achievements

"Bharat Ratna Dr.Abdul Kalam Excellence Gold Medal Award"- 2019

Presented to

V.D. SANGHAVI

BEST MANAGING DIRECTOR

Aarvi Encon Limited

"For Excellence in Choosen Field of Activity on the occasion of 37th all india national seminar "INDIVIDUAL ACHIEVEMENTS & NATIONAL DEVELOPMENT" at Bangaluru 18th October-2019

GENERAL SECRETARY

Dr. Dr. V. Dilipkumar

Mr. Sanghavi has received gold medal award from All India Achievers & Research Academy for outstanding Achievements & Excellence in chosen field of activity at Bangalore in the year 2019.

Mr. Virendra D. Sanghavi, Managing Director and Mr. Jaydev V. Sanghavi, Executive Director of the Company received the CFBP – Jamnalal Bajaj Award for Fair Business Practices in 2014 from the hands of Dr. Abdul Kalam, Former President of India.

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Board of Directors and Committees

BOARD OF DIRECTORS

Mr. Virendra D. Sanghavi
Managing Director

Mr. Jaydev V. Sanghavi
Executive Director and CFO

Mr. Devendra J. Shrimanker
Independent Director

Mr. Sharad S. Sanghi
Independent Director

Mrs. Sonal N. Doshi
Independent Director

Dr. (Mrs.) Padma V. Devarajan
Independent Director

M/s. Arvind H. Shah & Co.,
Statutory Auditors

M/s. Bhatt & Associates Company Secretaries LLP
Secretarial Auditor

Bigshare Services Private Limited
Registrar and Transfer Agent (RTA)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Devendra J. Shrimanker - Chairperson

Mrs. Sonal N. Doshi – Member

Dr. (Mrs.) Padma V. Devarajan – Member

Mr. Jaydev V. Sanghavi – Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Devendra J. Shrimanker - Chairperson

Dr. (Mrs.) Padma V. Devarajan - Member
(Appointed w.e.f August 30, 2019)

Mrs. Sonal N. Doshi – Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mrs. Sonal N. Doshi – Chairperson

Mr. Devendra J. Shrimanker – Member

Mr. Jaydev V. Sanghavi – Member

COMPANY SECRETARY AND COMPLIANCE OFFICER

Jay H. Shah

BANKERS:-

Yes Bank Ltd

CITI Bank N.A

Bank of Baroda

HDFC Bank

HSBC Bank

SBI

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mr. Virendra D. Sanghavi – Chairperson

Mrs. Sonal N. Doshi - Member

Mr. Devendra J. Shrimanker
(Appointed w.e.f August 30, 2019)

FINANCE AND MANAGEMENT COMMITTEE

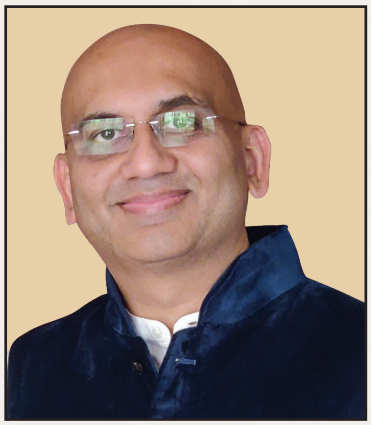
Mr. Virendra D. Sanghavi – Chairperson

Mr. Jaydev V. Sanghavi – Member

Registered Office:-
B1-603, Marathon Innova,
Marathon NextGen,
Lower Parel (W), Mumbai – 400 013.

Board of Directors

Virendra Sanghavi
Managing Director



Jaydev V. Sanghavi
Executive Director

Devendra Shrimanker
Independent Director

Padma V. Devarajan
Independent Director

Sharad Sanghi
Independent Director

Sonal N. Doshi
Independent Director

Managing Director's Message

FY - 2019-2020

Virendra Sanghavi
Managing Director

Dear Shareholders,

It gives me immense pleasure to present you the 32nd Annual Report on the performance of your company for the FY 2019 -20.

You will be glad to know that your company performed well for the FY 2019-20 and it has successfully migrated trading of its equity shares of the Company from NSE Emerge Platform to the Main Board of NSE Ltd on June 24, 2020.

Your Company's standalone turnover is Rs.191.83 Crores in FY 2019-2020 which shows sustainability and stable growth as compared to previous year. Net Profit of the Company stands at Rs. 3.78 Crores in FY 2019-20 compared to Rs. 5.83 Crores in FY 2018-19 which shows decline in profits as some of the projects turns out to be less profitable due to unhealthy competition in the market, Increase in Fixed Cost i.e Deputees Salaries etc.

On Consolidated basis, The Company has achieved turnover of Rs. 218.64 Cr. and Net profit of Rs. 7.17 Cr. during the FY. 2019 – 20.

The Company has been rated as SME-1 by CRISIL for 'Highest Credit Worthiness' for 13th year at a stretch. The ratings continue to reflect an established market position in supply of technical manpower. CRISIL believes AARVI will continue to benefit from an established market position and improved financial flexibility.

There have been slow down dues to COVID-19 and people working from home. There have been delay in implementation of few projects and hence delay in fresh mobilization of new manpower on these projects. As a country may benefit from company leaving China as prime manufacturing base and moving to India, we are keeping close watch on these companies.

After successful implementation of UAE branch, Aarvi is evaluating branch offices in Oman, Qatar, and Indonesia.

You will be glad to know that AARVI ENCON FZE based in UAE is doing good work along with 'Bon Accord' company in Abu Dhabi. Now it has became a material subsidiary of the Company which has contributed more than 10% revenue in consolidated income of Parent Company. The turnover of the subsidiary Company is Rs. 26.83 Crores and net profit of 3.41 Crores approx. These figures are growing very fast and we expect good result in FY 2020-21 provided the external factors remain in favor of the Company.

We are happy to announce that your Company did a very large offshore jobs for Turkish Petroleum Company in last quarter of FY 2019-20.

Due to ongoing Covid-19 Pandemic across the globe, there is no significant impact on the operations of the Company. The Company has allowed its employees to work from home and thereby it has been able to maintain the operations smoothly in these tough times. The Company is following government directives regarding the health and safety measures of employees and has encouraged all employees to practice work from home till the situation gets stabilized or improve.

This Covid Pandemic and lockdown situation may cause delay in income accrual in near future. We believe the sales and profitability of FY 2020-21 is likely to be impacted. The Company is closely monitoring the situation and will take the action accordingly.

Your Company has spent Rs. 13.45 Lakhs towards CSR activities across the country by providing various medical support to the needy people, supported many educational institutes. In FY 2019-20, the Company through its CSR partnership with Saifee Hospital could help many patients in need for their immediate treatments especially in accident cases. The Company looks forward to take various initiatives across livelihood, education, water sanitation and health to create measurable impact for communities around our areas of operations.

The Board has proposed dividend of 10% i.e. Rs. 1 per equity share, subject to the approval of the members of the Company at the ensuing 32nd Annual General Meeting (Third AGM Post – IPO of the Company).

At this moment, I would like to express my gratitude to all stake holders for their continuing faith in the company.

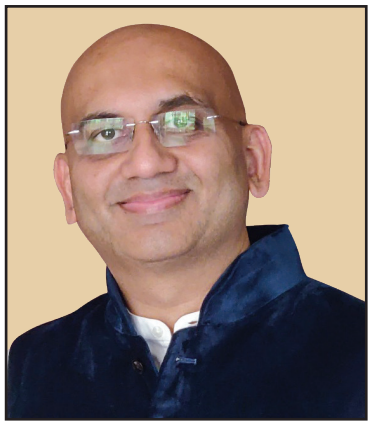
Thanking you once again and assure you of better results in future.

Your Sincerely

Sd/-
VIRENDRA D. SANGHAVI
Managing Director

Executive Director's Message

FY - 2019-2020



Jaydev V. Sanghavi
Executive Director

Dear Shareholders,

I have a great pleasure in welcoming you to the 32nd AGM of Aarvi Encon Ltd. I am grateful to all our valued stakeholders for their faith and continuous support in the Company.

We have achieved consolidated sales of Rs. 218.64 Cr. with EBIDTA of Rs. 9.79 Cr. and Net profit of Rs. 7.17 Cr. in FY. 2019 – 20.

Major Highlights for the year are as follows:

- Aarvi had successfully executed project with one big petroleum Company and had deployed about 52 expatriates for Offshore rigs.
- O&M of Tank Terminal of HPCL Mittal was retained and have received contract for next 5 years.
- Timely migration to cloud and issue of laptop to all the staff of Aarvi Encon has lead to seamless working during COVID times.
- Aarvi has maintained the clients and number of deployed Technical Staff.

Your company is one of the largest in Secondment of Technical Manpower and have served multiple industries like Oil & Gas, Refinery, Pipelines, Engineering, Renewable Energy, Power and City Gas Distribution.

There had been reduction in Operating Margin for the year, mainly due to wrong selection of project which required heavy equipment's and led to loss in that particular project. This had affected profitability of the company. However it is seen from the Q1 of the year 2020 – 21 that things may get normalized.

We are in receipt of Income Tax refunds for the year 2017 – 18 and 2018 – 19 which will lead to marginal utilization of Bank limits. Currently your company is enjoying sanction limit of Rs. 39.5 Cr. however, on an average usage is about Rs. 15 Cr. in a year.

We were to start Kolkata office but due to COVID, the plan is postponed by a year as existing manager was not able to relocate to Kolkata. The Company is in process of digitisation of various process to have contactless operations.

This financial year 2020 – 21, we have theme as "International Year" we wish to open office in Oman, Qatar, Indonesia and look for partner in Kuwait and set up the operation in the country during down turn and once the market opens up post COVID, we will see upside in those countries.

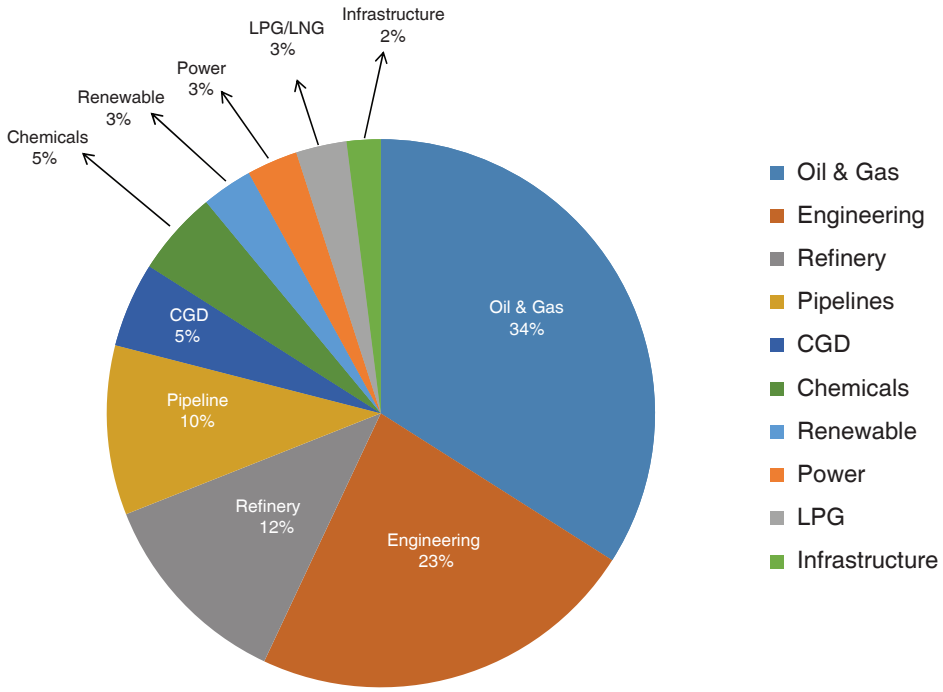
We have decided to get fresh team for IT Staffing services. We are keen to increase our presence in IT Staffing. We wish to add verticals like Healthcare, Pharmaceuticals and Aviation.

Once again thank you for being part of Aarvi Family.

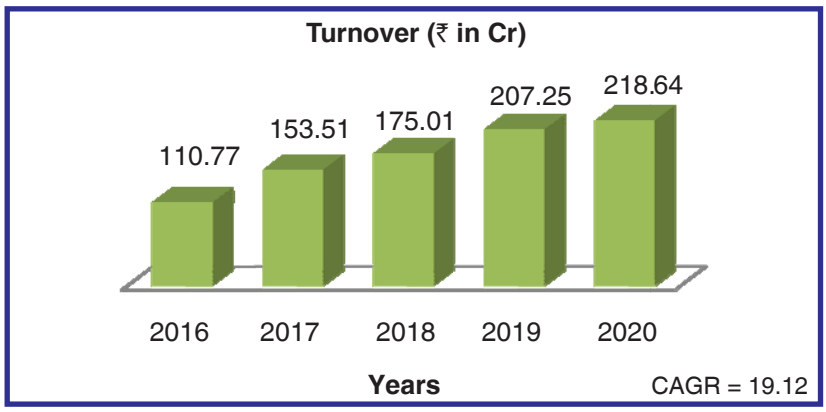
Your's Sincerely,

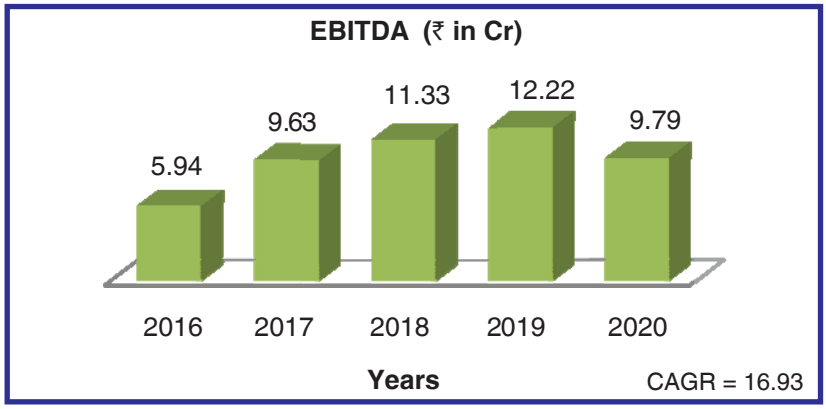
Sd/-
Jaydev Sanghavi
Executive Director

REVENUE CLASSIFICATION ON THE BASIS OF INDUSTRY TYPE

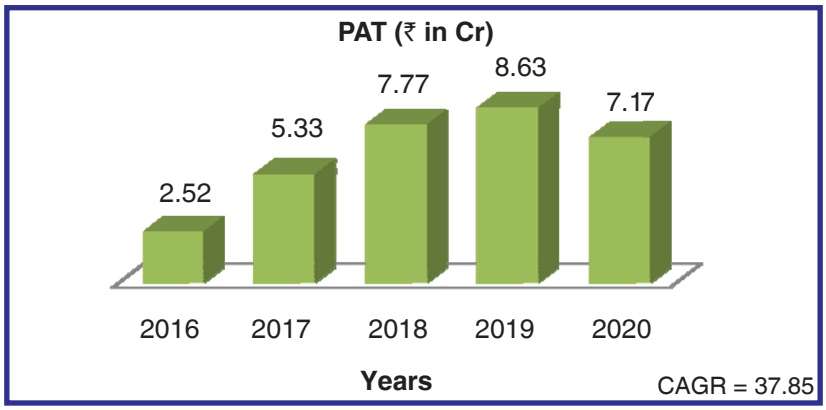


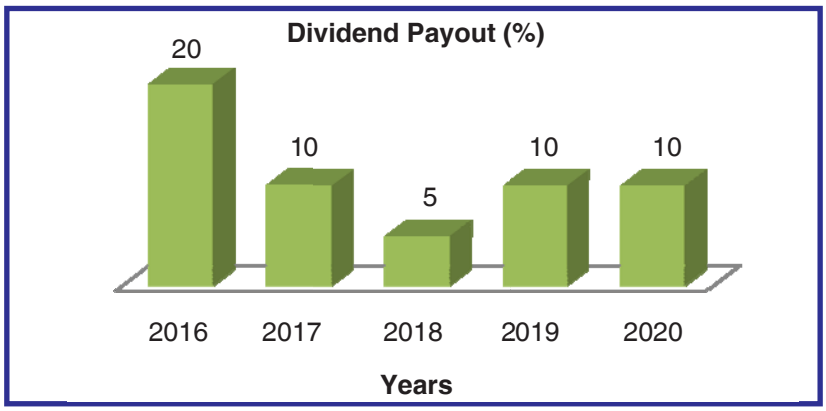
SUSTAINABLE PERFORMANCE & GROWTH

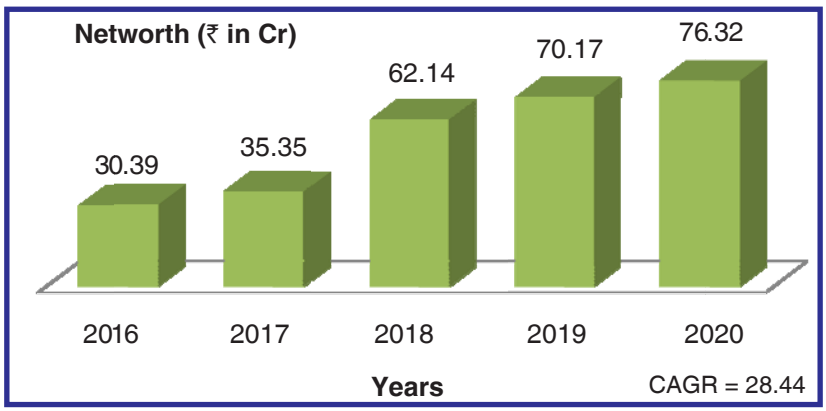


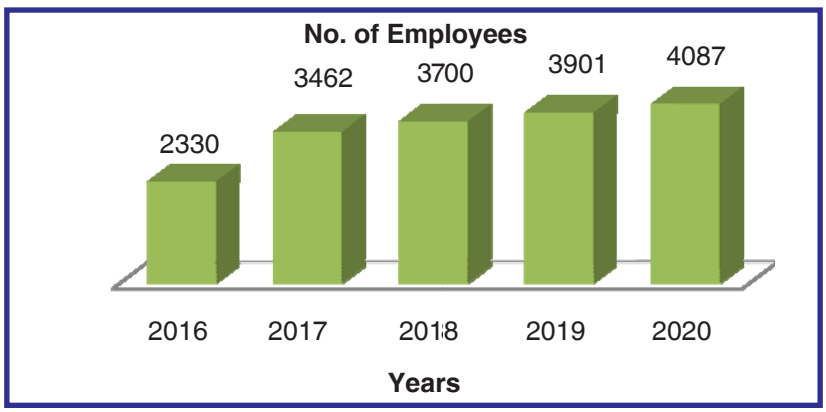


SUSTAINABLE PERFORMANCE & GROWTH:-









Creating Value for Clients since 1987

32

Years of Delivering Engineering & Manpower Outsourcing Services.

Value Added Initiatives

Corporate Social Responsibility (CSR)

Total CSR Spend of Rs. 13.45 Lakhs during the FY 2019-20.

- ✓ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- ✓ Eradicating hunger, poverty and malnutrition, [“promoting health care including preventive health care”] and sanitation and making available safe drinking water.
- ✓ Disaster management, including relief, rehabilitation and reconstruction activities.

CSR Partnership with Saifee Hospital, Mumbai.

The Company has partnered with Saifee Hospital, Charni Road, Mumbai for treating the deserving patients in emergency situation who is not able to afford the cost of investigations and medications. Saifee Hospital will provide the medicines and investigations at subsidized rates and treat the patients in their free OPD with specified investigation and treatment on selective basis. Initially the deserving patients who met with an accident in the vicinity of the Charni Road, Grant Road, Marin Line and Churchgate Railway Station will be treated. The Company is really grateful to the Saifee Hospital for showing interest in collaborating for such a noble cause.

Mr. Virendra D. Sanghavi, Managing Director of the Company with Dr. V.P. De Sa, Director – Medical affairs, Clinical Compliance & Governance, Saifee Hospital and the other assistant doctors and staff of the Hospital in Mumbai.

Our Strength and Area of Expertise

"Our Strength Creates More Success"

We believe that the following strengths have contributed to success and will be of competitive advantages for us, supporting our strategy and contribution to improvements in financial performance:

Established Track Record

Established track record of 32 years indicates the company's ability to survive business cycles.

Well Defined Organization Structure:

Well defined organization structure supported by qualified and experiences second tier management that has decision making powers.

Experienced Management and Motivated Team

We believe that, leadership is the result of team work allowing issues and ideas to be developed, widening our competitive advantage. We have grown steadily under the vision, leadership and guidance of our promoters, Mr. Virendra D. Sanghavi and Mr. Jaydev V. Sanghavi. Our promoters have played a key role in developing our business and we benefit from their industry expertise, vision and leadership. Also, they have been assisted by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the industry will enable us to continue to take advantage of both current and future market opportunities.

Diversified Service Profile:

Diversified service profile, the company provides an array of services to corporate in Oil & Gas, Power, Refinery / Petrochemical, Pipeline, Infrastructure sectors in India and Abroad.

aarvi®

Area of Expertise

- IT Staffing
- Procurement Assistance/ Expending
- Pre-Commissioning & Commissioning Service
- Manpower Outsourcing & Deputation / Technical Staffing
- Project & Engineering Design
- Operation & Maintenance
- Project Management
- CAD / Drafting / 3D Modelling
- Shutdown
- Construction Supervision
- Inspection Service

1987
Incorporated and Started Engineering Consultancy Services

1997
Deputed More than 300 Engineers to Reliance Petroleum

2007
Employee Strength crossed 1000 mark

2013
Rated "SME-1" by CRISIL/ Crossed 2000 personnel in deputation

2017
Deployed more than 3000 Engineers.

Listed on NSE Emerge Platform

2020
Listed on Main Board of NSE Ltd.

1996
Started Technical Manpower Deputation

1998
DHDS & SRU Commissioning Contract from HPCL Refinery

2011
Operation & Maintenance Services started with HMPL

2015
Marked Turnover over Rs 100 Cr/ Opened Subsidiary in UAE

2018
Marked Turnover over 200 Cr. / Partnered with Bon Accord Employment Services at UAE.

Awards

NOCIL Award from Indian Institute of Chemical Engineers - 1993

CFBP Jamnalal Bajaj Awards for Fair Business Practices for 2015 given by late President Dr. APJ Abdul Kalam

CDC National Award for Excellence in Consultancy Services from Consultancy Development Centre - 1997

HSE Excellence Award in recognition for Safe Contractor from Cairn India Limited - 2013

Certificate of Excellence For "25 Fastest Growing BPM Companies in India"

SME Business Excellence Award 2014 from Times Group, Dun & Broadcasting and Federal Bank - 2014

Yes Bank Star SME Award from Business Today - 2011

India Business Excellence from Worldwide Business Review - 2017

NOTICE OF 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

Notice is hereby given that Thirty Second Annual General Meeting (Third AGM post IPO of the Company) of the members of Aarvi Encon Limited will be held on Tuesday, September 22, 2020, via video conference ("VC") / other Audio-Visual means ("OAVM") at 11.00 A.M., to transact following business;-

ORDINARY BUSINESS;-

1. To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, to pass the following resolutions as Ordinary Resolutions with or without modification(s):

   (a) "**RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

   (b) "**RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To Appoint a Director in place of Mr. Jaydev V. Sanghavi (DIN: 00759042), Executive Director of the Company, who retires by rotation and being eligible, offered himself for re-appointment and in this regards, to pass the following resolution as an Ordinary resolution with or without modification(s):

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Jaydev V. Sanghavi (DIN: 00759042), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

3. To Declare Dividend on equity shares for the financial year ended March 31, 2020 and in this regard, to pass the following resolution as an Ordinary Resolution with or without modification(s) :

   "**RESOLVED THAT** a dividend @10% i.e Re. 1/- (Rupee One only) per equity share of the face value of Rs. 10/- (Ten rupees) each fully paid-up of the Company, as recommended by the Board of Directors of the Company, be and is hereby approved and declared for the financial year ended March 31, 2020 and the same be paid out of the profits of the Company for the financial year ended March 31, 2020."

SPECIAL BUSINESS:-

4. **TO APPOINT MR. SHARAD S. SANGHI (DIN: 00265977) AS A DIRECTOR OF THE COMPANY.**

   To consider and, if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 152,and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of Securities and Exchange Board of India (Here in after refer to as SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force),Mr. Sharad S. Sanghi (DIN: 00265977) who was appointed as an Additional Director, Independent, Non-Executive by the Board of Directors of the Company pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting (AGM) and being eligible offers himself for appointment as an Independent Director and in accordance with the recommendation of the Nomination and Remuneration Committee and in respect of whom the company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation to hold office for a term of 5 (five) years commencing from June 03, 2020.

   RESOLVED FURTHER THAT Mr. Jaydev V. Sanghavi, Executive Director & CFO and/or the Company Secretary of the Company, be and are hereby authorised to file relevant forms with the Registrar of Companies, Mumbai and to do such other acts, deeds and things as may be considered necessary in this regard."

5. **TO APRROVE REMUNERATION OF MR. VIRENDRA D. SANGHAVI (DIN: 00759176), MANAGING DIRECTOR OF THE COMPANY FOR FINANCIAL YEAR (FY) 2020-21 AND 2021-22.**

To consider and, if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution;

"**RESOLVED THAT** pursuant to provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee of the Company and approval of the Board of Directors of the Company, consent of the Members be and is hereby accorded to approve the remuneration of Mr. Virendra D. Sanghavi (DIN: 00759176) for the Financial Year (FY) 2020-21 and 2021-22 as stated in the statement annexed to the notice.

RESOLVED FURTHER THAT pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Act, in the event of loss or inadequacy of profit for any financial year during the remaining tenure of Mr. Virendra D. Sanghavi as Managing Director, the maximum remuneration payable to him in terms of the provisions of Schedule V to the Companies Act, 2013 shall not exceed Rs. 1,68,00,000/- (Rupees One Crore Sixty Eight Lakhs Only) per year.

RESOLVED FURTHER THAT Mr. Virendra D. Sanghavi shall also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and other privileges, as from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) be and are hereby authorized to vary and/or modify the remuneration which shall be within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto and the Board shall have absolute powers to decide breakup of the remuneration within the above said maximum permissible limit and to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

By Order of the Board of Directors

Sd/-
Jay H. Shah
Company Secretary and Compliance Officer

Date: June 30, 2020
Place: Mumbai

Registered Office:
603, B1 Wing, Marathon Innova,
Marathon Nextgen Complex,
Lower Parel (West), Mumbai – 400 013.
CIN:L29290MH1987PLC045499
Tel: 022-4049 9999
Email: info@aarvienon.com
Website: www.aarviencon.com

NOTES:

1. Explanatory Statement according to the provisions of Section 102 of the Companies Act, 2013 read with The Company (Management and Administration) Rules, 2014 in respect of the special businesses to be transacted at the AGM, is annexed hereto.

2. All documents referred to in the accompanying Notice and the statements, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act are available electronically for inspection by the members. Any member seeking inspection of such documents can visit website i.e. www.aarviencon.com.

3. Members holding shares in dematerialized mode are requested to notify immediately in case of any change in their email addresses and other communication details to the depository participant to enable us to send you the quarterly reports and other communications via email.

4. Corporate Members are required to send to the Company a certified true copy of Board resolution pursuant to section 113 of the Companies Act 2013 together with the specimen signature authorizing their representative to attend the meeting throughVC / OAVM and vote on their behalf at the meeting or through remote e-voting.

5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member at the earliest. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

7. Details pursuant to Secretarial Standard -2 issued by the Institute of the Company Secretaries of India (ICSI) in respect of the Directors seeking appointment/ re-appointment/approval for remuneration at the Annual General Meeting is provided in "Annexure" to the notice and forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

8. Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting forms an integral part of the Notice and the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.

9. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA circulars") permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act and MCA circulars, SEBI LODR Regulations, 2015 the AGM of the Company is being held through VC / OAVM. In compliance with the aforesaid MCA circulars and SEBI circular the notice of AGM along with Annual Report for the financial year 2019 - 20 is being sent only through electronic mode to all the members whose email IDs are registered with the Company/ Depository Participant(s). Members may note that the Notice and Annual report for financial year 2019-20 will also available on the company's website i.e https://www.aarviencon.com/home/annual_reports/, website of the Stock Exchange_i.e. National Stock Exchange of India Limited at www.nseindia.com.

    1. Non-resident Indian members are requested to inform the Company on jay.shah@aarviencon.com or its RTA or to the concerned DPs, as the case may be, immediately the change in the residential status on return to India for permanent settlement.

    2. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.

    3. This notice is being sent to all members of the Company whose name appears in the Register of Members/ list of beneficiaries received from the depositories on the end of **August 28, 2020**.

    4. The AGM is being held pursuant to the MCA Circulars through VC / OAVM where physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of

proxies will not be available for the AGM and hence proxy form and attendance slip are not annexed to this notice.

5. The AGM will be held through Video Conference (VC / OAVM), the route map of the venue of the Meeting is not required to be annexed in this Notice.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

7. The dividend on equity shares as recommended by the Board of Directors, if declared, at the meeting shall be paid to the members whose names are registered in the Register of Members / Beneficial owners as on **September 11, 2020**. Members may please note for shares held in electronic form and /or physical form, complete bank details as registered with the depository participants / Company shall be used for the payment of dividend. Members are hereby requested to register / update (in case of any change) complete bank account details with the depository participants for shares in dematerialized mode by submitting requisite documents.

8. Dividend as recommended by the Board of Directors, if declared at the AGM, shall be dispatched / remitted commencing from the day after the AGM i.e. September 22, 2020.

9. In case the Company is unable to pay the dividend to any shareholder through electronic mode due to non availability of bank account details, the Company shall upon normalization of the postal services, dispatch the dividend warrant / cheque to such shareholder by post.

10. Members are requested to note that dividend which has been declared but not paid and / or claimed within thirty days from declaration shall be transferred to "Unpaid dividend account" of the Company in seven days from expiry of said thirty days in accordance with section 124 of the Act. Further, dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund.

11. Rule 3 of the Companies (Management and Administration) Rules 2014, mandates that the register of members of all companies should include details pertaining to email address, permanent account number (PAN) or CIN, unique identification number, if any; father's/ mother's/ spouse's name, occupation, status, nationality; in case member is a minor, name of guardian and the date of birth of the member, and name and address of nominee. All members are requested to update their details as aforesaid with their respective depository.

12. No gifts shall be provided to members before, during or after the AGM.

13. Members may, pursuant to section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014, file nomination in prescribed form SH-13 with the respective depository participant.

Instructions for joining the AGM through VC/OAVM:

14. The Company has obtained services from National Security Depository Ltd. (NSDL) for conducting e-AGM and providing e-voting facility including remote e-voting facility. Facility of e-voting at the AGM is a two way teleconferencing or zoom or googlemeet for ease of participation.

15. Members who seeks technical assistance with using of technology before or during the meeting may contact NSDL e-voting helpdesk. Kindly quote your folio no. / DP ID-client ID and e-voting event number in all your communications.

16. The facility of joining the AGM through VC / OAVM shall be kept open for at least 15 minutes before the time schedule of the meeting and shall not be closed till expiry of 15 minutes after such schedule time.

17. Members who may like to provide their views / ask questions during the AGM can submit to jay.shah@aarviencon.com their views / questions in advance on or before September 15, 2020. Those members who register themselves as speaker(s) will be allowed to provide views / ask questions during the AGM. The Company reserves the rights to restrict the number of questions and number of speakers, depending upon the availability of time for smooth conduct of the AGM.

18. Facility of joining the AGM through Video Conference (VC/ OAVM) shall be available for all members of the Company as on the cut off date for e-voting including, the large shareholders (i.e shareholders holding 2% or more shareholding), promoters, institutional investors, if any, directors, key managerial personnel, the chairpersons of Audit committee, Nomination and Remuneration committee and stakeholders relationship committee, auditors, etc. Members under category of Institutional investors, if any, are encouraged to attend and vote at the AGM.

Instructions for Remote e-voting and e-voting at the AGM:

19. In accordance with the provisions of Section 108 and other applicable provisions of the Companies Act 2013, if any, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI Listing Regulations, the Company is offering e-voting facility to all the members of the Company and business may be transacted through such remote e-voting. Members can cast their votes online from 10.00 A.M (IST) on Thursday, September 17, 2020 to 5.00 P.M (IST) on Monday, September 21, 2020.
20. During this period shareholders of the Company, holding shares either in dematerialized form and physical form, as on the cut – off date which is Friday, August 28, 2020 may cast their votes through remote e-voting. Once the Members have cast their vote through remote e-voting, he/she shall not be allowed to change it subsequently or cast vote again.
21. After the said time, the remote e-voting facility shall be disabled by NSDL and the Members will not be able to cast their vote electronically beyond the date and time mentioned above.
22. In case of joint shareholders, the members whose name appears as the first holder as per the Register of members of the company shall be entitled to vote at the AGM.
23. Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
24. Facility of voting through electronic voting system would also be available at the AGM and members who are present in the meeting through VC / OAVM and have not cast their vote on resolutions through remote e-voting and are otherwise not barred from doing so, shall be allowed to vote through e-voting system in the meeting.
25. The Board of Directors has appointed Bhatt & Associates Company Secretaries LLP, Practising Company Secretaries, to act as the Scrutinizer for conducting the remote e-voting and electronic voting process at the AGM in a fair and transparent manner.
26. Procedure and instructions of remote e-voting are detailed below:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Thursday, September 17, 2020 at 10:00 A.M. and ends on Monday, September 21, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

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

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

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

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

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

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

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to aashish@aashishbhatt.in with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned

copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@aarviencon.com

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to jay.shah@aarviencon.com.

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

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

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

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at jay.shah@aarviencon.com.
6. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at jay.shah@ aarviencon.com. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

27. In case of any queries or issues regarding e-voting, you may contact to NSDL e-voting helpdesk for any grievances connected to e-voting before or during the AGM.
28. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 28, 2020, may obtain their User ID and Password from NSDL and vote electronically by following the aforementioned procedure. Any person who is not a member as on the cut off date shall treat this notice for information purpose only.
29. The Scrutinizer will after the conclusion of the e-voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-voting and prepare a consolidated report. The resolutions shall be deemed to be passed on the date of meeting i.e September 22, 2020, subject to the receipt of the requisite number of votes.
30. The Scrutinizer shall submit his consolidated report to the Chairman or any person authorized by him. The results shall be announced with in 48 hours from the conclusion for the AGM. The results of AGM along with the consolidated scrutinizer's report shall be submitted to the stock exchange where its shares are listed at www.nseindia.com and uploaded on the website of the Company at https://www.aarviencon.com/home/announcements.

For and on behalf of Aarvi Encon Limited

Sd/-
Jay H. Shah

Company Secretary and Compliance Officer

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

ORDINARY BUSINESS:-

Item No. 2 :

Profile of Mr. Jaydev V. Sanghavi, Executive Director of the Company as per Secretarial Standard -2 issued by The institute of Company Secretaries of India (ICSI) are mentioned below and regulation 36(3) of SEBI LODR Regulations, 2015;

Name of the Director	Mr. Jaydev V. Sanghavi
DIN	00759042
Age	49 years
Qualifications	Chemical Engineering Graduate from Mumbai University.
Experience including expertise in specific functional areas / Brief Resume	He is working with the Company since last 25 years and handled various assignments as a Project Coordinator, Business Development Manager, Operations Manager and now Executive Director. He has played a crucial role in developing strategic Business Tie-ups and delivering several large & complex projects successfully. In 1996 he identified a niche Business Opportunity in the project consulting of HR and thus came about a Manpower Supply division which he heads today. He is biggest contributor in establishing & expanding Manpower Division. Mr. Jaydev has been instrumental in growth of Aarvi Encon. Under his leadership the Company has become largest Technical Staffing company in India with offices at major location in India. He is instrumental in setting up offices in Qatar, UAE, Saudi Arabia.
terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the Board Resolution dated July 17, 2020 and Members Resolution dated July 24, 2020.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)
date of first appointment on the Board	November 09, 2005
Shareholding in the company as on 31 March, 2020	14.68% (21,70,000)
relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the son of Mr. Virendra D. Sanghavi, Managing Director of the Company. Except Mr. Virendra Sanghavi, he is not related to any other director and/or KMP of the company
number of Meetings of the Board attended during the year	There were total 4 (four) board meetings held during the year. He has attended all the board during the FY 2019-20.
other Directorships, Membership/ Chairmanship of Committees of other Boards	He is a Director in the following Companies; 1. Aarvi Engineering & Consultants Pvt Ltd. 2. Beetle Ventures Private Limited 3. Energyjobz Services Private Limited

SPECIAL BUSINESS:-

Item no. 4

4. APPOINTMENT OF MR. SHARAD S. SANGHI AS DIRECTOR (DIN: 00265977) OF THE COMPANY.

Mr. Sharad S. Sanghi (DIN: 00265977) on recommendation of Nomination and Remuneration Committee was appointed by the Board of directors as an Additional Independent Directorof the Company with effect from June 03, 2020 in terms of Section 161 of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company and he holds office as an Additional Independent Director up to the date of forthcoming AGM.

The Board believes that his immense knowledge and years of experience in the Information technology field will enable the Company to tap the new opportunities in the IT Industry through his guidance and support.

Under section 149 of the Companies Act, 2013 read with Schedule IV of the Act, appointment of Independent Director requires approval of Members. Based on recommendation of Nomination and Remuneration, the Board of Directors had proposed his appointment as an Independent Director, not liable to retire by rotation, for a term of 5 (Five) years commencing from June 03, 2020, subject to approval of Members in ensuing Annual General Meeting.

Mr. Sanghi is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. He has also provided a declaration to the Board that he meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of Board, Mr. Sanghi fulfils the conditions specified in the Act and the rules made there under and that he is independent of the management and possess appropriate skills, expertise and knowledge that will enable him to discharge his duties, roles and functions as an Independent director during his tenure.

Profile of Mr. Sharad S. Sanghi (DIN: 00265977) as per Secretarial Standard -2 issued by The Institute of Company Secretaries of India (ICSI) are mentioned below and regulation 36(3) of SEBI LODR Regulation, 2015:

Name of the Director	Mr. Sharad S. Sanghi
DIN	00265977
Age	54 years
Qualifications	Electrical Engineer from IIT Bombay and holder of a Master's degree from Columbia University, New York.
Experience including expertise in specific functional areas / Brief Resume	Mr. Sharad Sanghi is the Managing Director and CEO of Netmagic, an organization that he founded in July 1998, and now an NTT Communications Group Company based in Japan. Mr. Sanghi is responsible for growing Netmagic to be India's leading Managed Hosting and Cloud Service Provider, with over 1100 employees and 9 data centres delivering services to over 2000 enterprise customers across the globe. His passion and commitment to deliver value to clients by building a customer focused service organization is infectious across the company. Mr. Sanghi is considered a pioneer in the Indian cloud computing space, and his vision has helped Netmagic become a leader in the Public Cloud services market in India. On the business side, he led Netmagic through 3 successful VC funding rounds with Nexus Venture Partners, Fidelity, Cisco Systems and Nokia Growth Partners. He led the 2012 acquisition of the company's majority stake by NTT Communication Japan - a first in the Indian data centre market. Mr. Sanghi is an industry veteran with over 20 years of extensive experience in developing Internet backbone infrastructure and providing Internet services. He is also Part time Non-official Director on the Board of Bharat Electronics Limited, appointed by the Government of India. During a six-year stint in the US, Mr. Sanghi worked for Unified Network Management Architecture Group at AT&T Bell Labs, the Backbone Engineering Group of NSFNET (ANS) and the Router Systems Development Group of Advantis (IBM Global Network). He has also helped Merrill Lynch and Bankers Trust design and deploy Wide Area Networks.

Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the Board Resolution dated June 03, 2020 and the Letter of Appointment executed between the Company and Mr. Sharad S. Sanghi. He shall be paid sitting fees within the overall limits of the Companies Act, 2013 and rules made thereunder for attending Board and Committee meetings.
Date of first appointment on the Board	June 03, 2020
Shareholding in the company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is not related to any Director or other Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the year.	NIL.
Other Directorships, Membership/ Chairmanship of Committees of other Boards	He is a Director in the following Companies; 1. Netmagic Solutions Private Limited 2. National Internet Exchange Of India 3. NTT Communications India Private Limited 4. Netmagic Stock Holding Private Limited 5. Netmagic IT Services Private Limited\ 6. NTT Communications India Network Services Private Limited

As per Section 160 of the Companies Act, 2013, the company has received a notice from a member proposing candidature of Mr. Sharad S. Sanghi for office of Independent Director of the Company.

The terms and conditions of appointment of independent directors are available for inspection on the website of the company by any member on https://www.aarviencon.com/home/appointment_letters.

This notice may be treated as information to the members about his candidature to the office of directorship of the Company under section 160(2) read with Rule 13 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and disclosures required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Sharad S. Sanghi is interested in the resolution as set out in item no. 4 of the Notice and his relatives may be deemed to interested in this resolution to the extent of their shareholding, if any, in the company.

Save and except of above, none of the other Directors, Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in item no. 4 of the notice.

Accordingly, the Board recommends the said resolution as an Ordinary resolution for the appointment of Mr. Sharad S. Sanghi as Director for the approval of the shareholders of the Company.

5. APRROVAL FOR REMUNERATION OF MR. VIRENDRA D. SANGHAVI (DIN: 00759176), MANAGING DIRECTOR OF THE COMPANY FOR FY 2020-21 AND 2021-22.

Item No. 5

Mr. Virendra D. Sanghavi, Promoter & Founding Director of Aarvi Encon is serving the company as Managing Director.

Mr. Virendra D. Sanghavi on recommendation of Nomination and Remuneration Committee was re-appointed by the Board as Managing Director of the Company for 5 years w.e.f July 15, 2017 on the terms, conditions and remuneration as specified in agreement dated July 24, 2017 executed between the Company and Mr. Virendra D. Sanghavi.

As per provisions of the Schedule V of Companies Act, 2013, the remuneration of the managerial personnel shall be fixed for not more than 3 years. Hence, the approval for remuneration of Mr. Virendra D. Sanghavi, Managing Director has been taken on July 17, 2017 for three years only. The approval for the remuneration of the remaining two years is required to be taken to comply with requirements of the provision of the Schedule V of the Companies Act, 2013 (“the Act”).

The Board on recommendation of Nomination and Remuneration Committee subject to the approval of members has approved the remuneration for next two years i.e financial year 2020-21 and 2021-22. The remuneration shall be same as paid to him in the financial year 2019-20.

In lieu of above, the Company is seeking the approval of the members for confirming the same remuneration as paid in the FY 2019-20 for the next two years i.e FY 2020-21 and 2021-22. There is no change in the remuneration of Mr. Virendra D. Sanghavi, Managing Director of the Company for the next two years.

Copy of contract or memorandum as entered between the Company and Mr. Virendra D. Sanghavi in terms of Section 190 of the Act is available for inspection on the website of the Company on https://www.aarviencon.com/home/announcements.

Profile of Mr. Virendra D. Sanghavi, Managing Director of the Company as per Secretarial Standard -2 issued by The institute of Company Secretaries of India (ICSI) are mentioned below:

Name of the Director	Mr. Virendra D. Sanghavi
DIN	00759176
Age	78 years
Qualifications	Chemical Engineering Graduate from Mumbai University.
Experience	Mr. Sanghavi has more than 48 years of experience and excellent track record in design, development, construction and operation of process plants in India and Internationally. He has diverse experience of working with various Engineering, Lubricant, Petrochemical, and Pharmaceutical companies such as Merck Sharp & Dohme India Ltd., Lubrizol India Ltd. Aker Solution (Erstwhile Davy Powergas) and Bhansali Engineering Polymers Ltd where he has made substantial contributions in growth of these companies and left his mark. He was a visiting lecturer of Institute of Chemical Technology, Matunga teaching piping engineering, his favourite subject to third year students. He is Past President and on the Board of Governors of UDCT Alumni Association, he has been the Honorary Treasurer of Indian Institute of Chemical Engineers. He is recipient of NOCIL Award for Excellence in Consultancy Services form Indian Institute of Chemical Engineers. Under his leadership, the Company has received Star SME Award sponsored by Business Today and YES Bank in the year 2010. It has also received CFBP "Jamnalal Bajaj Award" for 'Fair Business Practices' at the hands of Late Dr. APJ Abdul Kalam, former President of India in the year 2014. Mr. Sanghavi recently was recognized in the list of India's Top 100 Great People Managers by the Great Manager Institute in association with the Forbes India.
terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the Board Resolution dated July 17, 2020 and Members Resolution dated July 24, 2020.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)
Date of first appointment on the Board	December 03, 1987
Shareholding in the company as on 31 March 2020	29.36% (43,40,000)
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the father of Mr. Jaydev Sanghavi, Executive Director & CFO of the Company. Except for Mr. Jaydev Sanghavi, he is not related to any other director and/or Key Managerial Personnel
Number of Meetings of the Board attended during the year	There were total 4 (four) board meetings happened during the year. He has attended all the board during the FY 2019-20.

other Directorships, Membership/ Chairmanship of Committees of other Boards	He is a Director in the following Companies; 1. Aarvi Engineering & Consultants Pvt Ltd.

Statement required pursuant to the provisions of Schedule V of the Companies Act, 2013:

I. General Information:

1. Nature of industry

The Company is one of the leading technical manpower outsourcing company providing engineers, designers, on secondment / deputation to companies, dedicated to the Energy Sector, Oil & Gas, Power, LNG, PNG, refinery, Petrochemical, Pipeline, Wind power, Solar Power, Offshore, E&P, Infrastructure, Ports & Terminals, Telecom, Fertilizers, Cement, Automobile, Metro & Mono Rail, Railway, Metals and Minerals, Information Technology Sectors.

2. Date or expected date of commencement of commercial production : December 03, 1987

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable.

4. Consolidated financial performance based on given indicators

(Rs. In Crores)

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Gross Sales & Other Operating Income	218.64	207.25	175.01
Profit Before Tax	6.95	10.12	9.54
Profit After Tax	7.17	8.63	7.77
Paid up Equity Capital	14,78,40,000/-	14,78,40,000/-	14,78,40,000
Reserves & Surplus	61.54	55.40	47.36

5. Foreign investments or collaborations, if any. – Not Applicable.

II. Information about the appointee:

1. Job profile and his suitability :

Mr. Virendra D. Sanghavi, is a Promoter & Founding Director of Aarvi Encon is serving the company as Managing Director. He has made substantial contributions in growth of these companies and left his mark. His role in the Company as Managing Director of the Company is most suitable considering his present role in the Company's day to day management.

2. Remuneration proposed :

Mentioned in the table providing disclosures as per Secretarial standards -2 by ICSI

3. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The remuneration paid to Mr. Virendra D. Sanghavi is commensurate with the size of the Company, nature of its operations and is in line with the industry standards.

4. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

There exists no pecuniary relationship of Mr. Virendra D. Sanghavi directly or indirectly with the Company or relationship with the Managerial Personnel in terms of the Companies Act, 2013 except to the extent of remuneration paid to him.

III. Other information:

1. Reasons of loss or inadequate profits

At present, the performance of the Company is satisfactory as compared to the industry norms. However, in the event of any unforeseen circumstances and conditions beyond its control, the profitability of the Company may be affected.

2. Steps taken or proposed to be taken for improvement.

   The Company is continuously looking at the new business opportunities to grow.

3. Expected increase in productivity and profits in measurable terms.

   It is difficult to forecast the productivity and profitability in measurable terms. However, the productivity and profitability may improve and would be comparable with the industry average.

Mr. Virendra D. Sanghavi is interested in the proposed resolution as set out in item no. 5 of the notice and his relatives may be deemed to be interested in this resolution to the extent of their shareholding, if any, in the Company .

Save and except of above, none of the other Directors , Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in item no. 5 of the notice.

Accordingly the Board recommends the said resolution as a special resolution for the approval of remuneration of Mr. Virendra D. Sanghavi.

For and on behalf of
Aarvi Encon Limited

Sd/-
Jay H. Shah
Company Secretary and Compliance Officer

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting the 32nd Annual Report of your Company (Aarvi Encon Limited/AARVI) on business and operations of the Company along with the Audited Standalone and Consolidated Financial Statements and the Auditor's Report for the year ended March 31, 2020. Consolidated performances of the Company and its subsidiaries have been referred to wherever it's required.

Corporate Overview:-

The Company was incorporated in 1987 and has been creating value for clients in India and abroad by delivering world-class Engineering and Technical Manpower Outsourcing Services. The Company's dynamic approach to problem solving enable them to deliver quality services on time with consistent performance to the clients across the globe. Aarvi has long standing with clients and working with most of them for over decades. In the year 2017, the Company got listed on the SME platform of National Stock Exchange of India Limited after its successful Initial Public Offer (IPO) and it got listed on Main Board of NSE Ltd on June 24, 2020. It has corporate headquarters at Mumbai and branch offices at various locations in India and abroad.

1. FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The financial results for the year ended on 31st March, 2020 and the corresponding figures for the previous year are as under;

	Consolidated (Rs.in crores)		Standalone (Rs.in crores)	
Particulars	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Net Revenue from Operations	218.05	206.03	191.21	191.93
Other Income	0.60	1.21	0.62	1.21
Total Income	218.64	207.25	191.83	193.14
Total Expenditure	211.69	197.12	188.27	185.74
Profit before tax	6.95	10.12	3.56	7.40
Current Tax	0.64	1.22	0.64	1.22
Short/Excess Provision for Tax	(0.37)	0.08	(0.37)	0.08
Deferred Tax	(0.49)	0.20	(0.49)	0.22
Profit after taxes	7.17	8.63	3.78	5.89

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2020. The Notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this Report.

STANDALONE PERFORMANCE

The Company has reported stable performance in revenue during FY 2019-20. Revenue from operations at Rs. 191.83 Crs as against Rs. 193.14 Crs of previous year decreased by 0.68% year on year, reflecting satisfactorily results in key markets and segments. Operating profit at Rs. 3.56 Crs. as against Rs. 7.40 Crs of previous year. The profit has gone down due to the stiff competition in the market and increase in the fixed cost of the Company.

CONSOLIDATED PERFORMANCE

Your Company has reported growth in revenue for the year ended on 31st March 2020. Revenue from operations at Rs. 218.64 Cr. as against Rs. 207.25 Cr. of previous year, reflecting stable growth than the previous year performance in key markets and segments. Operating profit at Rs. 6.95 Cr. as against

Rs. 10.12 Cr. of previous year. The Operating profit has declined due to unhealthy competition in the market during the FY 2019-20.

Your Directors express their satisfaction on the overall financial performance and the progress made on different areas by the Company during the year under review.

2. SHARE CAPITAL

The Total Paid-up Capital of the Company as on March 31, 2020 is Rs. 14,78,40,000 divided into 1,47,84,000 equity shares of Rs.10/- each. There has not been any new issue of share during the year under review.

3. DIVIDEND

The Board of Directors of the Company has recommended a dividend 10% i.e Re. 1 per fully paid- up Equity Share of the face value of Rs.10/- each of the Company subject to the approval of the Members at the ensuing Annual General Meeting, for the financial year 2019 – 20.

4. RESERVES

The Balance in Reserves & Surplus stands at Rs. 61.54 Cr. in comparison with the previous year balance of Rs. 55.40 Cr.

5. SUBSIDIARIES COMPANIES

Your Company has formulated a Policy for determining 'Material' Subsidiaries pursuant to the provisions of Regulation 16 of SEBI LODR Regulations, 2015. The said Policy is available on the Company's website https://www.aarviencon.com/home/policies_of_the_company

The Company has three subsidiary Companies as on March 31, 2020.

1. Aarvi Encon FZE located at United Arab Emirates (UAE).
2. Aarvi Engineering and Consultants Private Limited (India).
3. Aarvi Encon Resources Limited located at United Kingdom (UK).

During the year under review Aarvi Encon FZE, a wholly owned Subsidiary Company in UAE became a material subsidiary of the Company as it contributes the revenue of more than 10% to the total revenue of the Company.

Aarvi Encon FZE is a Free Zone Establishment at SAIF Zone, Sharjah, UAE incorporated on October 13, 2015. A Wholly owned Subsidiary of the Company had partnered with Bon Accord Emplyement Services, a proprietary Company at UAE in the year 2018 to develop the business of providing manpower or consultancy services in UAE.

The Company has successfully executed the valuable projects alongwith the Bon Accord in Abu Dhabi and it expects more projects in the upcoming year also. There were some hurdles in receiving the payments from clients on time due to lockdown and cashflow issues of the clients. Once the situation will improve after global lockdown, oil price stabilize, the clients have promised to restart the work efficiently in the upcoming FY 2020-21. The accounts of the Aarvi Encon FZE are also consolidated with the Company.

Aarvi Engineering & Consultants Private Limited, a Wholly Owned Subsidiary of the company engaged in Consultancy Services had no operation during the year under review. The accounts of Aarvi Engineering & Consultants Private Limited are consolidated with the accounts of the company according to the provisions of Companies Act, 2013, Income Tax Act, 1961 and read with application "Accounting Standard" issued by ICAI.

Aarvi Encon Resources Ltd (AERL) incorporated on March 07, 2018 at United Kingdom (UK), which is a wholly owned Subsidiary of the Company. The Company yet to start its operation. The accounts of the AERL are also consolidated with the Company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the details of performance and salient features of financial statements of the Company's subsidiaries in Form AOC- 1 is attached herewith to the financial statements of the Company as Annexure - I.

Further, pursuant to the provisions of Section 136 of the Act, the audited financial statements of the Company, consolidated financial statements along with relevant documents and audited financial statements in respect of subsidiaries are available on the website of the Company https://www.aarviencon.com/home/financial_reporting.

The Company does not have any associate and /or joint venture company.

6. MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) REPORT

Pursuant to the provisions of Regulation 34 of the SEBI LODR Regulations 2015, the Management Discussion and Analysis capturing your Company's performance, industry trends and other material changes with respect to your Companies and its subsidiaries, wherever applicable, are set out separately in this Annual Report.

7. CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of corporate governance. We believe sound corporate governance is critical to enhance and retain investor trust. Our disclosures seek to attain the best practices in corporate governance. We always strive to implement several best corporate governance practices in the Company to enhance long-term shareholder value and respect minority rights in all our business decisions. Corporate Governance Report for financial year 2019-20 is presented in seperate section forming part of this Annual Report.

8. DEPOSITS

Your Company did not accept/ hold/ any deposits from public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

9. PARTICULARS OF LOAN, GUARANTEE AND INVESTMENTS

The Company has not given any loan or guarantee covered under provision of Section 186 of the Companies Act, 2013. The particulars of investments made have been duly disclosed in the financial statements.

10. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel(s) (KMP(s)). All related party transactions are mentioned in the notes to the accounts. The Company has formulated a Policy on "Materiality of Related Party Transactions", which are in line with the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI LODR Regulations, 2015.

The same is also available on the web-link: https://www.aarviencon.com/home/policies_of_the_company.

Prior omnibus approval from the Audit Committee is obtained for transactions which are repetitive and also normal in nature. During the year under review, there were no material related party transactions under Regulation 23 (4) of SEBI LODR Regulations, 2015 entered into by the Company, which necessitates approval of Shareholders.

11. BOARD OF DIRECTORS, COMMITTEES OF BOARD AND KEY MANAGERIAL PERSONNEL

A. Board of Directors

Your Company's Board of Directors as on the financial year end March 31, 2020 comprises of one Executive Director and one Managing Director and Three Independent Directors including Two Women Directors and the same is disclosed in the Report on Corporate Governance as set out separately in this annual report..

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees or reimbursement of expenses, if any incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

B. Committees of the Board

As required under the Companies Act, 2013 and SEBI LODR Regulations, 2015, the Board has formed five Committees viz.

- Audit Committee,
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee And
- Finance and Management Committee

Keeping in view the requirements of the Companies Act, 2013 and SEBI LODR Regulations, 2015, the Board decides the terms of reference of these Committees and the assignment of members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

Pursuant to Section 177(8) of the Companies Act, 2013, the composition of the Audit Committee is disclosed as under:

Sr. No.	Name of the Member	Designation
1.	Mr. Devendra Shrimanker	Chairperson (Independent Director)
2.	Mrs. Sonal Doshi	Member (Independent Director)
3.	Dr. (Mrs.) Padma V. Devarajan	Member (Independent Director)
4.	Mr. Jaydev Sanghavi	Member (Executive Director and CFO)

The details of the all the Committees along with their composition, number of meetings and attendance at the meeting as set out in Report on Corporate Governance as set out separately in this annual report.

During the year, all recommendations of the Audit Committee were accepted by the Board.

C. Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, no Key Managerial Personnel (KMP) were appointed and/or resigned during the year. Details of KMP of the Company are as under;

Sr. No.	Name of the KMP	Designation
1.	Mr. Virendra D. Sanghavi	Managing Director
2.	Mr. Jaydev V. Sanghavi	Executive Director and CFO
3.	Mr. Jay H. Shah	Company Secretary

D. Details of Directors and Key Managerial Personnel who were appointed or resigned ;

Mrs. Niranjana V. Sanghavi, Non-Executive Director resigned from the Board on August 30, 2019 due to her health issues. Mrs. Niranjana V. Sanghavi joined Aarvi Encon in the year 1990. The Board appreciated the efforts and value brought by her in this long stint in the Company.

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Jaydev V. Sanghavi (DIN: 00759042), Executive Director of the Company, will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The details of Mr. Jaydev V. Sanghavi are furnished in the Notice of the Annual General Meeting. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting.

Mr. Sharad Sanghi was appointed as an Additional Independent Director of the Company with effect from June 03, 2020.

E. Receipt of any commission by MD / WTD from Company or from its holding or subsidiary Company

The Company has paid Commission @0.5% of the total turnover of the Company to the whole time Directors i.e Mr. Virendra D. Sanghavi, Managing Director and Mr. Jaydev V. Sanghavi, Executive Director during the year as a part of remuneration subject to the maximum limit of Rs. 1.68 Crs. Further, Mr. Virendra and Mr. Jaydev did not draw any remuneration and /or commission from its subsidiaries.

12. Declaration by Independent Directors

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations, 2015.

In the opinion of the Board, the Independent director appointed during the year possesses the requisite expertise and experience, and are persons of high integrity.

13. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI LODR, Regulations 2015 read with SEBI LODR Amendment Regulations, the Board has carried out the Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various committees.

In line with the Corporate Governance Guidelines of the Company, Annual Performance Evaluation was conducted for all Board Members as well as on the functioning of the Board and its Committees. This evaluation was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board. The Board evaluation framework has been designed in compliance with the requirements under the Companies Act, 2013 and SEBI LODR Regulations 2015, and in consonance with Guidance Note on Board Evaluation issued by SEBI in January 2017. The Board and the committee evaluation was conducted through questionnaire having qualitative parameters and feedback based on ratings.

The performance evaluation of non-independent director and the Board as a whole was also carried on by the Independent Directors of the Company through a separate meeting on February 10th, 2020.

Performance evaluation of Independent directors was done by entire Board, excluding the Independent Director being evaluated.

14. Meetings of the Board/Committees

The meetings of the Board are scheduled at regular intervals to decide and discuss on business performance, policies, strategies and other matters of significance. The schedules of the meetings are circulated in advance, to ensure proper planning and effective participation in meetings. In certain exigencies, decisions of the Board are also accorded through Circular Resolution.

The Board during the financial year 2019-20 met 4 (four) times. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013. Detailed information regarding the meetings of the Board/Committee are included in the report on Corporate Governance, as set out separately in this annual report.

15. AUDITORS

A. STATUTORY AUDITORS

In accordance with the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, at the 29th AGM of the Company held on 15th July, 2017, the Members approved the appointment of M/s. Arvind H. Shah & Co., Chartered Accountants, having registration number (ICAI Firm Registration No. 100577W), as Statutory auditors of the Company for a term of five years to hold the office from the conclusion of that AGM till the conclusion of 34th Annual General Meeting.

AUDITOR'S REPORT

The Auditor's Report on the Financial Statements of the Company for the year ending March 31, 2020 is unmodified i.e., it does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the Financial Statements forming part of the Annual Report.

B. Internal Auditor and Internal Audit Systems

Your Company has appointed Natwarlal Vepari & Co., Chartered Accountants to conduct internal audit across the organization. We have strengthened the in-house internal audit and compliance team to supplement and support the efforts of Natwarlal Vepari & Co.

C. SECRETARIAL AUDITOR

Section 204 of the Companies Act, 2013, inter-alia, requires every listed company to annex with its Board's Report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form. The Board of Directors appointed Bhatt & Associates Company Secretaries LLP, Mumbai, as the Secretarial Auditor to conduct the Secretarial Audit of the Company for financial year 2019-20 and his Report is annexed to this Board Report as Annexure - III.

The Board has appointed Bhatt & Associates Company Secretaries LLP as Secretarial Auditor for the FY 2020-21 to conduct the Secretarial Audit of the Company.

D. Secretarial Compliance Report of Aarvi Encon Limited for the year ended March 31, 2020

As per Regulation 24A of SEBI LODR Amendment Regulations, 2018, read with SEBI Circular dated February 08, 2019; the listed entities in addition to the Secretarial Audit Report as required under section 204 of the Companies Act, 2013 is also required to annex a separate report i.e Annual Secretarial Compliance Report with the exchange within sixty days of the end of the year for compliance of all the applicable SEBI Laws, circulars or guidelines thereunder.

The Secretarial Compliance Certificate has been issued by the Bhatt & Associates Company Secretaries LLP after independent verification of the records, books, papers and documents as maintained by the Company as per all the applicable SEBI laws, Regulations and circulars/ guidelines issued thereunder.

The same was submitted to the Stock Exchange(s) within the stipulated date and a copy of the same is hosted at our website at https://www.aarviencon.com/home/announcements

E. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the statutory Auditors and the Practicing Company Secretary in their respective Reports

In connection with the Statutory Audit of the financial statements for the year under review, there was no qualification, reservation or adverse remark in the report by the Statutory Auditor, save and except disclaimer made by them in discharge of their professional obligation. No frauds are reported by the Statutory Auditor under sub section (12) of Section 143 of the Companies Act, 2013 and rules made thereunder.

In connection with the Secretarial Audit of the Company for the year under review, there was no qualification, reservation or adverse remark in the

report by the Statutory Auditor, save and except disclaimer made by them in discharge of their professional obligation.

16. INTERNAL FINANCIAL CONTROL

As per the provision of Section 138 of the Companies Act, 2013, the Company has devised a proper system to check the internal controls and functioning of the activities and recommend ways of improvement. Internal Audit is carried out timely. The internal financial controls with reference to financial statements as designed and implemented by the Company. During the year under review, no material or serious observation is received from the Internal Auditor of the Company for inefficiency and inadequacy of such controls.

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

Variation in the object clause of the prospectus dated September 14, 2017 for utilization of issue proceeds.

Pursuant to the board resolution dated July 17, 2017 and the special resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 in the Extra-Ordinary General Meeting ("EGM") by the shareholders of the Company held on July 24, 2017, the Company had raised Rs. 2124.36 Lakhs from the public via IPO of its equity shares (the 'Issue'). The net proceeds from the Issue were Rs. 1885.40 Lakhs (hereinafter referred to as "IPO Proceeds").

The Company had, in terms of Prospectus dated September 14, 2017, proposed to utilize the IPO Proceeds towards i) Working Capital Requirements ii) Acquisition and other strategic initiatives iii) General Corporate Purpose iv) Issue Expense.

The Board had passed a resolution on October 25, 2019 for variation in the object clause of the prospectus dated September 14, 2017 for utilization of issue proceeds of Rs. 4 Crores parked for Acquisition and other strategic initiatives can be used for its working capital requirements. The Shareholders of the Company had also granted their approval for the same via postal ballot on November 29, 2019.

The Company has utilized the aforesaid amount for its working capital requirement and the report on the utilization of issue proceeds have been duly submitted on a quarterly basis to the exchange for dissemination on their platform.

Apart from disclosure as made aforesaid, there are no events which may lead to material changes and commitments and which would affect financial position of the Company from the end of the financial year and the date of the report.

18. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN SUCH MANNER AS MAY BE PRESCRIBED:

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are as stated below:

A) Conservation of Energy

1. The steps taken or impact on conservation of energy:

   The Company applied strict control system to monitor day to day power consumption. The Company ensures optimal use of energy with minimum extent of wastage as far as possible. The day to day consumption is monitored in an effort to save energy.

2. The steps taken by the company for utilizing alternate sources of energy : NA

3. The Capital Investment on Energy Conservation Equipment.

   The Company has not made any capital investment on energy conservation equipment.

B) Technology Absorption:-

New Softwares are being adopted to improve efficiency of working staff in Accounts, Recruitment and Operations. Training is being imparted at all levels to improve productivity.

C) Foreign Exchange Earnings and Outgo:

Particulars	2019 – 20	2018 – 19
Foreign Exchange Earnings in terms of actual inflows	Rs. 1,44,660/-	Rs. 3,90,550/-
Foreign Exchange outgo in terms of actual outflow	Rs. 12,87,013/-	Rs. 13,87,919/-

19. VIGIL MECHANISM

Pursuant to the Regulation 22 of SEBI Listing Regulation, 2015 and the provision of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, a "Vigil Mechanism Policy" for Directors and Employees of the Company is in place, to report their genuine concern of any violation of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, unethical behavior, actual or suspected fraud or violation of the Company's code of conduct etc. for adequate safeguard against victimization of person who use such mechanism and provision for direct access to the chairperson of the Audit Committee. During the year under review, no such complaints were received.

The details of the "Vigil Mechanism Policy" are available on the website of the Company and web link to access the same is https://www.aarviencon.com/home/vigil_mechanism.

20. INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Insider Trading Policy as approved by the Board is in force in the Company. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees, their relatives and other connected employees from trading in the securities of the Company at the time when there is access to Unpublished Price Sensitive Information (UPSI).

21. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is available on the Company's website and web link to access the same is https://www.aarviencon.com/home/policies_of_the_company

22. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, the Company has formulated a Corporate Social Responsibility (CSR) Committee and recommended to the Board a CSR Policy indicating the activities to be undertaken by the Company and the same was duly approved by the Board. The CSR Policy can be accessed on the Company's website and web link thereto is https://www.aarviencon.com/home/policies_of_the_company

During the year the Company has spent Rs. 13,45,215/- on CSR Activities. The Report on the CSR Activities is annexed herewith to the Boards Report as Annexure IV.

23. ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT-9 for the financial year 2019-20 shall be available on the Company's website at the given link https://www.aarviencon.com/home/Announcements.

24. CREDIT RATING

Your Company's Domestic Credit Rating is CRISIL SME Rating 1 for the long-term debt /facilities by CRISIL. CRISIL has reaffirmed its ratings i.e BBB/ STABLE for long term borrowings and A3 + for short term borrowings. The Credit Rating derive strength from the operational track record of the Company, cost competitiveness, flexibility derived from diversified services and the Company' s effort to reduce cost and to improve cost efficiency.

25. STATEMENT OF DEVIATION AND/ OR VARIATION IN UTILIZATION OF PUBLIC ISSUE PROCEEDS PURSUANT TO REGULATION 32 OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

As per Regulation 32 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the listed entity have submitted to the stock exchange the statement indicating deviation, if any in the use of proceeds from the objects stated in the offer document, indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilization of funds made by it in its offer document, as applicable and the actual utilization of funds. The report on the utilization of issue proceeds attached to the Board's Report as Annexure V.

26. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your director's hereby for the financial year 2019-20 state that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the annual accounts on a going concern basis;

(e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) They have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. LISTING ON STOCK EXCHANGE

The Equity shares of the Company got listed on The National Stock Exchange of India Ltd (NSE) SME Emerge Platform in the year 2017 and it has migrated the trading of its equity shares to the Main Board of NSE Ltd. (Capital Market Segment) on June 24, 2020.

28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPARTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant and material orders passed by regulators or courts or tribunals imparting the going concern status and Company's operation in future.

29. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of top ten employees in terms of remuneration drawn in the said rules forms part of this report. Further, there were no employees drawing remuneration in excess of the limits set out in the said rules and hence aforesaid disclosure is not applicable.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary on jay.shah@aarviencon.com and the same will be furnished on request.

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(a) Ratio of the remuneration of each Director, Chief Financial Officer and Company Secretary of the Company and b) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019 - 20 :

Name of the Directors	Designation	% Increase in the Remuneration (a)	Ratio of Remuneration of each Director/to median remuneration of employees. (b)
Mr. Virendra D Sanghavi	Managing Director	-	0.02
Mr. Jaydev V Sanghavi	Executive Director & CFO	-	
Mrs. Niranjana V. Sanghavi #	Non-Executive Director	-	0.06
Mr. Devendra J. Shrimanker*	Independent Director	-	0.29
Mrs. Sonal N. Doshi*	Independent Director	-	0.23
Dr. (Mrs.) Padma V. Devarajan*	Independent Director	-	0.24
Mr. Jay H. Shah	Company Secretary	10	N.A

* Entitled for Sitting fees of 10,000 for attending each Board and Audit Committee and 5,000 for attending all other Committee Meetings.

Mrs. Niranjana V. Sanghavi ceased as Non-Executive Director w.e.f August 30, 2019.

(b) Percentage increase in the median remuneration of employees in the financial year 2019-20:

Core Employees - 9.16%

(c) Number of permanent employees on the rolls of Company: 4087

(d) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

(e) It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other Employees is as per the remuneration policy of the Company.

(f) Names of top 10 employees of Company in terms of remuneration drawn and name and particulars of the employees who were employed throughout the financial year and were in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakh Rupees per financial year and name and particulars of employees who were employed for a part of the year and were in receipt of remuneration for that period which, in the aggregate, was not less than Eight Lakh Fifty Thousand Rupees per month:

No employees drew remuneration as per the limits specified under rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(g) Names of employees of Company, who were employed throughout the financial year or part thereof and were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or wholetime director or manager, if any, and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: N.A

30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed their under, the Company has formed an Internal Complaints

Committee and also framed and adopted the policy for Prevention of Sexual Harassment at Workplace. The following is the summary of Sexual Harassment complaints received and disposed off during the year 2019-20.

No. of Complaints received: NIL

No. of Complaints Disposed off: NIL

The Annual Report under the aforesaid Act has been filed with the Labour Commissioner, Mumbai.

31. SECRETARIAL STANDARD

The Directors declared that applicable Secretarial Standard have been duly followed.

32. DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013, IS REQUIRED BY THE COMPANY AND ACCORDINGLY SUCH ACCOUNTS AND RECORDS ARE MADE AND MAINTAINED :

The maintenance of Cost Records as specified by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013 are not applicable to the Company.

33. HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Total Employees : 4087

Total Addition in Employees during the F.Y 2019-20 : 186

No. of Women Employees during the F.Y 2019-20 : 165

The Company has all the required policies under the Indian laws for the time being in force and as required under the Companies Act, 2013 and SEBI LODR Regulations, 2015 to protect and safeguard the interest of the employees. The policies pertaining the code of conduct for employees, senior management team and directors, harassment free policy as required under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Policy on Insider Trading as required under SEBI Prohibition of Insider Trading Regulations, 1992, Whistle Blower Policy etc and all the Policies/Codes have been uploaded in the Website of the Company and web link to access the same is https://www.aarviencon.com/home/policies_of_the_company.

34. STATUTORY DISCLOSURES

None of the Directors of your Company are disqualified as per the provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI LODR Regulations 2015. The Company has received a Certificate pursuant to Schedule V(10)(i) of SEBI LODR Amendment Regulations 2018 from Bhatt & Associates Company Secretaries LLP, Mumbai, having certificate of practice no. 7023 stating that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority during the period under review.

The certificate is attached to this Director's Report as Annexure VI.

35. DECLARATION ON CODE OF CONDUCT

The Company has adopted the Code of Conduct for all its Senior Management Personnel and Directors and the same is affirmed by all the Board Members and Senior Management Personnel as required under Regulation 34 read with Part D of Schedule V of the SEBI LODR Regulations, 2015. A declaration signed by Mr. Virendra D. Sanghavi, Managing Director of the Company affirming the compliance with the Code of Conduct of the Company for the financial year 2019-20 as set out separately in this annual report.

36. QUALITY INITIATIVES

In F.Y. 2020, the Company successfully completed the annual ISO surveillance audit and OHSAS Safety Audit and retained the enterprise-wide ISO certification for ISO 9001:2015 and ISO 45001:2018.

37. ANNUAL LISTING FEES TO THE STOCK EXCHANGES

Aarvi Encon Limited listed its equity shares on NSE Emerge Platform and it also got listed on the Main Board of NSE in June, 2020. The listing fees duly paid to the exchange and annual custodial fees has been paid to CDSL and NSDL for the F.Y. 2020 -21.

38. DEPOSITORY SYSTEM

Your Company's equity shares are in demat form only. The Company has appointed National Securities Depository Limited and Central Depository Services India Limited as depositories to the Company.

39. CAUTIONARY STATEMENT

The Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in Government regulations, Tax regimes, economic developments within India and other ancillary factors.

40. ACKNOWLEDGEMENT

Your Directors takes this opportunity to thank all Government Authorities, Bankers, Shareholders, Registrar & Transfer Agents, Investors and other Stakeholders for their assistance and co-operation to the Company. Your Directors express their deep sense of appreciation and gratitude towards all employees and staff of the company and wish the management all the best for further growth and prosperity.

For and on behalf of the Board,
Aarvi Encon Limited.

Sd/-
Virendra D. Sanghavi
Managing Director
DIN: 00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:- 00759042

Date: 30/06/2020
Place: Mumbai

ANNEXURE - I

Form AOC -1

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURE AS PER COMPANIES ACT, 2013 FOR THE FY 2019-20

Sr. No.	Particulars	Name of the Subsidiary Company				
		Aarvi Encon FZE		Aarvi Engineering and Consultancy Private Limited	Aarvi Encon Resources Limited	
1	Reporting Currency	(Rs. In Lakhs)	AED	(Rs. In Lakhs)	(Rs. In Lakhs)	GBP
	Exchange rate as on 31.3.2020					
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-
2	Equity Share Capital	27.07	150,000	20	0.08	100
3	Reserve and Surplus	-	-	-	-	-
4	Total Assets	1,658.71	8,077,173	65.72	0.08	100
5	Total Liabilities	1,658.71	8,077,173	65.72	0.08	100
6	Investements	-	-	-	-	-
7	Revenue from Operation/Total Income / Turnover	2,683.24	13,628,569	-	-	-
8	Profit Before Tax	341.27	1,733,379	(0.09)	-	-
9	Provision for Tax	-	-	0.05	-	-
10	Deferred Tax	-	-	0.09	-	-
11	Profit After Tax	341.27	1,733,379	(0.23)	-	-
12	Other Comprehensive Income	-	-	-	-	-
13	Total Comprehensive Income	-	-	-	-	-
14	Proposed Dividend	-	-	-	-	-
15	% of Shareholding	100%	100%	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations : Aarvi Encon Resources Limited is yet to start its operations. Apart from this, no other subsidiaries are yet to commence its business.
2. Names of subsidiaries which have been liquidated or sold during the year : There were no subsidiaries which have been liquidated or sold during the year.

The Company does not have any Associate company and / or Joint Venture for the financial year 2019-20 . Hence, Part B details are not applicable.

ANNEXURE - II

Form No. AOC-2

[Pursuant to Clause (h) of Sub Section (3) of Section 134 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangement or transactions not at arms' length basis.

   Aarvi Encon Ltd. (the Company) has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or not at arm's length during FY 2019-20. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.

2. Details of material contracts or arrangement or transaction at arms' length basis as under:

   The company does not have any material contract or arrangement or transactions at arm's length basis during FY 2019-20.

For and on behalf of the Board of Directors
Aarvi Encon Limited.

Sd/-
Virendra D. Sanghavi
Managing Director
DIN: 00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO

DIN:- 00759042

Date: June 30, 2020
Place: Mumbai

Annexure III

Form no. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,
The Members,
Aarvi Encon Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Aarvi Encon Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not Applicable;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable;

   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable;

   f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client - Not applicable;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable; and

   h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 - Not applicable.

vi. Taking into consideration, business activities of the Company and confirmation received from the Management, there are no specific regulator / law whose approval is required for undertaking business operations of the Company and hence no comment is invited in respect of the same. We have in-principally verified existing systems and mechanism which is followed by the Company to ensure compliance of other applicable laws and have relied on the representation made by the Company and its Officers in respect of aforesaid systems and mechanism for compliances of other applicable acts, laws and regulations and found the satisfactory operation of the same.

Further, on account of pandemic "COVID 2019" and nationwide lockdown imposed by governments, the audit process has been modified, wherein certain documents /records etc were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

We have also examined compliances with applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of the Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except:

i. The Company has contributed substantial amount towards Corporate Social Responsibility and miniscule amount of Rs. 70,228/- has been remaining.

ii. Publication of Postal ballot notice dated September 13, 2019 in vernacular newspaper as per Rule 22(3) of the Companies (Management and Administration) Rules, 2014.

iii. Delay in submission of Annual Report for the financial year ended March 31, 2019 to Stock Exchanges in accordance with regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, however the Company has sent the Annual Report to all the shareholders accordance with the requirements of the Companies Act, 2013

iv. Disclosure pertaining Management Discussion and Analysis as per Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except few such as Internal Control System and their adequacy, risk etc.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views were expressed.

We further report that there are adequate systems and processes in the company commensurate with its size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz:

(i) Member's approval through Postal Ballot for following transactions:

a) Increase in Authorized Share capital of the Company and consequent amendment to the Memorandum of Association of the Company;

b) Migration from SME emerge Platform of National Stock Exchange of India Limited ("NSE") to the main Board of NSE;

c) Variation in object clause in the prospectus dated September 14, 2017 for utilization of issue proceeds;

(ii) Declaration of final dividend on equity shares for F.Y. 2018-19;

(iii) Member's approval for revision in remuneration paid to Managing Director & Executive Director of the Company;

(iv) Payment of commission to the Managing Director & Executive Director of the Company within the overall limit of maximum remuneration payable to them as approved by the members of the Company;

(v) Re-constitution of various committees;

(vi) Resignation of Mrs. Niranjana V. Sanghavi, Non-Executive Director of the Company;

For Bhatt & Associates Company Secretaries LLP
Aashish K. Bhatt
Designated Partner
ACS No.: 19639
UDIN: A019639B000401691

Place: Mumbai
Date: 30.06.2020

This Report is to be read with our letter annexed as Appendix A, which forms integral part of this report.

APPENDIX A

To,

The Members

Aarvi Encon Limited

Our report of even date is to be read along with this letter.

1. The responsibility of maintaining Secretarial record is of the management and based on our audit, we have expressed our opinion on these records.
2. We are of the opinion that the audit practices and process adopted to obtain assurance about the correctness of the Secretarial records were reasonable for verification on test check basis.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The management is responsible for compliances with corporate and other applicable laws, rules, regulations, standards etc. our examination was limited to the verification of procedure on test basis and wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations etc.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Bhatt & Associates Company Secretaries LLP
Aashish K. Bhatt
Designated Partner
ACS No.: 19639
UDIN: A019639B000401691

Place: Mumbai
Date: 30.06.2020

Annexure IV

SECRETARIAL COMPLIANCE REPORT OF AARVI ENCON LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

[Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019]

To,
Aarvi Encon Limited,
603, B1 Wing, Marathon Innova,
Marathon Nextgen Complex,
Lower Parel (W), Mumbai – 400013.

We have examined:

a. all the documents and records made available to us and explanation provided by **Aarvi Encon Limited ("the listed entity"),**

b. the filings / submissions made by the listed entity to the stock exchanges,

c. website of the listed entity,

d. any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of:

   a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

   b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not Applicable;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not Applicable;

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – Not Applicable;

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not Applicable;

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – Not Applicable;

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

And circulars/ guidelines issued thereunder and based on the above examination, I hereby report that, during the Review Period:

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

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Pursuant to regulation 34(1) the listed entity shall submit to stock exchange a copy of Annual Report along with notice of Annual General Meeting (AGM) not later than the day of commencement of dispatch to its shareholders.	The requisite intimation / disclosure were made to stock exchange.	Delay in submission of Annual Report for year ended March 31, 2019 along with notice of Annual General Meeting to stock exchange however the Company has sent the Annual Report to all the shareholders in accordance with the requirements of the Companies Act, 2013. .
2	Pursuant to regulation 34(2)(e) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t. Annual Report shall contain various information as prescribed.		Disclosures of all matters as required to be stated in Management Discussion and Analysis Report is made in Annual Report for the year ended March 31, 2019 except few such as Internal Control System and their adequacy, Discussion on the financial performance, risk etc.

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

c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	National Stock Exchange of India Limited (NSE)	Delay in submission of Annual Report for year ended March 31, 2019 along with notice of Annual General Meeting to stock exchange. (Pursuant to regulation 34 the listed entity shall submit to stock exchange a copy of Annual Report along with notice of Annual General Meeting not later than the day of commencement of dispatch to its shareholders)	NSE levied fine on the Company vide SEBI Circular SEBI/HO/CFD/CMD/ CIR/P/2018/77 dated May 03, 2018, pursuant to which Company submitted its response and explained genuine reason for not submitting the same on time and accordingly requested for waiver of penalty imposed on it. Thereafter considering the response submitted by the Company, the Exchange has waived off the entire penalty imposed on the Company.	Delay in submission of Annual Report for year ended March 31, 2019 along with notice of Annual General Meeting to stock exchange, however the Company has sent the Annual Report to all the shareholders well in time i.e 21 days in advance before the AGM of the Company as required under the listing regulation.

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended… *(The years are to be mentioned)*	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
	Nil	Nil	Nil	Nil

On account of pandemic "COVID 2019" and nationwide lockdown imposed by governments, the audit process has been modified, wherein certain documents/records etc. were verified in electronic mode and have relied on the representations received from the Company for its accuracy and authenticity.

For Bhatt & Associates Company Secretaries LLP
Bhavika Bhatt
Designated Partner
ACS No.: 36181, CP No.13376
UDIN: A036181B000392790

Place: Mumbai
Date: June 29th, 2020

Annexure V
REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs to be undertaken and a reference to web-link to the CSR policy and projects or programs.

   Promoting education, promoting preventive healthcare, eradicating hunger, poverty & malnutrition, making available safe drinking water, sanitation facilities, environmental sustainability, maintaining ecological balance, conservation of natural resources, promotion of rural sports and establishment of old age homes.

   The CSR Policy adopted by the Board of Directors of the Company on the recommendations of Corporate Social Responsibility (CSR) Committee has been placed on Company's website "www.aarviencon.com".

2. Composition of CSR Committee:

Name	Designation
Mr. Virendra D. Sanghavi	Chairman
Mr. Devendra J. Shrimanker	Member
Mrs. Sonal N. Doshi	Member

3. Average Net Profit (as per Section 198 of the Companies Act, 2013) for last three financial years:

Particulars (Amt in Cr.)	2018-19	2017-18	2016-17
Net Profit as per Section 198 of the Companies Act, 2013 for the preceding three financial years.	7.90	8.05	5.27

4. (a) Average Net Profit for three years : Rs. 7,07,72,156/-

5. (b) Prescribed CSR expenditure (2% of average net profit) : Rs. 14,15,443/-

6. Details of CSR spent for the financial year
   (a) Total Expenditure approved by the Board : Rs. 14,15,443/-
   (b) Total amount spent during financial year : Rs. 13,45,215/-
   (c) Total sanctioned amount yet to be spent : NIL
   (d) Total amount yet to be sanctioned : NIL
   (e) Total amount unspent : Rs. 70,228/-

7. Purpose for which the amount was spent on CSR during the financial year is detailed below:

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Project or Programs (specify local area)	Amount outlay (budget project or program wise).	Amount spent on projects or programs (1) Direct Expenditure (2) Overheads	Cumulative Expenditure up to reporting period	Amount spent directly or through implementing agency.
1.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Education	Maharashtra	10,00,000/-	9,75,640/-	22,50,630/-	- Rotary Club of South Mumbai, - Bombay South Rotary Charitable Trust, Indian Institute of Chemical Engineers, Shalibhadra Charitable Trust, Jain Sankalp Trust, Blind organization of India, Shri J.H.V.S Charitable Trust, Shree Maniar Nagar Shwetamber Murt Jain Trust, Hyderabad (Sind) National Collegiate Board, K M Sonawala Charitable Trust.

2.	Eradicating hunger, poverty and malnutrition, 2[“promoting health care including preventinve health care”] and sanitation 4[including contribution to the Swach Bharat Kosh setup by the Central Government for the promotion of sanitation] and making available safe drinking water.	Preventive Healthcare.	Maharashtra	4,50,000/-	3,59,575/-	627,575/-	Saifee Hospital, Mumbai, United Nation Children’s Fund (UNICEF), Bombay South Rotary Charitable Trust, The United Orphanage for the disabled, Jeevan Jyot Cancer Relief & Care Trust Lifesave Foundation, Abhilasha Foundation, Konkan Kalava Shikshan Vikas Sanstha, Mauli Foundation, The Child Health Foundation, Health N Care Foundation, The Child Health Foundation, Nanhipari Foundation, Helpage India.
3.	Disaster management, including relief, rehabilitation and reconstruction activities.	Relief and Rehabilitation Activities	Maharashtra	50,000/-	10,000/-	60,000/-	District Welfare Fund for people of Kolhapur, Maharashtra.
	Total:-			**15,00,000/-**	**13,45,215/-**	**29,38,205/-**	

8. In case the company has failed to spend two percent of the average net profit of the last three financial years or any part therof, the Company shall provide the reasons for not spending the amount in its Board’s report :

   During the year, the Company has spent slightly lower on the CSR activities than required as per the Section 135 of the Companies Act, 2013 in F.Y. 19-20 as the expenditure through CSR partnership with Saifee Hospital, Mumbai occurred slightly lower as compared to the projected amount. The Company was expecting to spend more through the said CSR Partnership during the FY 2019-20. The Company regularly identifying more charitable organization, NGOs partners to actively support and channelize the activities/projects/ programmes to be undertaken in line with its CSR objectives. The company is undertaking its Corporate Social Responsibility activities through various Section 8 Companies, Registered Trusts and Registered Societies. These Companies, Trusts and Societies have established track record of more than three years in undertaking similar programs or projects and the company has specified the projects or programs to be undertaken, the modalities of utilization of funds of such projects and programs and the monitoring and reporting mechanism.

   The Company had partnered with Saifee Hospital, Charni Road, Mumbai in the year 2019 for treating the deserving patients in emergency situation who is not able to afford the cost of investigations and medications. Saifee Hospital will provide the medicines and investigations at subsidized rates and treat the patients in their free OPD with specified investigation and treatment on selective basis. Initially the deserving patients who met with an accidents in the vicinity of the Charni Road, Grant Road, Marin Line and Churchgate Railway Station will be treated. The Company is really satisfied with this partnership with Saifee hospital, Mumbai and looking forward to increase its contribution for such noble cause.

9. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objects and policy of the Company :

   We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Mr. Virendra D. Sanghavi
Chairman of the CSR Committee
DIN: 00759176
Date: June 30, 2020
Place: Mumbai

Sd/-
Sonal N Doshi
Member of CSR Committee
DIN: 06672497

Annexure VI

THE REPORT ON THE DEVIATION/VARIATION IN UTILIZATION OF PUBLIC ISSUE.

Name of listed entity	Aarvi Encon Limited
Mode of Fund Raising	Public issues / ~~Rights Issues / Preferential Issues / QIP / Others~~
Date of Raising Funds	October 05, 2017
Amount Raised	21.24 Crores
Report filed for Quarter ended	December 31, 2019
Monitoring Agency	Not Applicable
Monitoring Agency Name, if applicable	
Is there a Deviation / Variation in use of funds raised	Yes / No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Yes
If Yes, Date of shareholder Approval	November 30, 2019
Explanation for the Deviation / Variation	The Company believes that this unutilized issue proceeds of Rs. 4 Crores earmarked for the purpose of "Acquisition and other strategic initiatives" if usedfor working capital requirement then it will be beneficial for the Company to maintain the adequate liquidity and will improve its cash flow in the near future.
Comments of the Audit Committee after review	The Audit Committee Considered the representation made by the management in this regard and the financial position of the Company and gave its consent to use the unutilized issue proceeds for the purpose of working capital requirements.
Comments of the auditors, if any	
Objects for which funds have been raised and where there has been a deviation, in the following table	

Original Object	Modified Object, if any	Original Allocation	Modified Allocation, if any	Funds utilised	Amount of Deviation / Variation for the quarter according to applicable object	Remarks, if any
Acquisition and other strategic initiatives	**Working Capital Requirements**	**4 crores**	**No**	**4 crores**	**4 crores**	**-**

Deviation or variation could mean:

(a) Deviation in the objects or purposes for which the funds have been raised or

(b) Deviation in the amount of funds actually utilized as against what was originally disclosed or

(c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc

Sd/-
Jay Shah
Company Secretary
Membership No. A45556

Annexure VII

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Aarvi Encon Limited,
603, B1 Wing, Marathon Innova,
Marathon Nextgen Complex,
Lower Parel (W) Mumbai - 400013.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aarvi Encon Limited having CIN L29290MH1987PLC045499 and having registered office at 603, B1 Wing, Marathon Innova, Marathon Nextgen Complex, Lower Parel (W) Mumbai - 400013 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Mr. Virendra D. Sanghavi	00759176	03.12.1987
2.	Mr. Jaydev V. Sanghavi	00759042	09.11.2005
3.	Mr. Devendra Shrimanker	00385083	03.06.2017
4.	Mrs. Sonal Doshi	06672497	03.06.2017
5.	Dr. (Mrs.) Padma V. Devarajan	08064987	01.02.2018

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

For Bhatt & Associates Company Secretaries LLP

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639B000401746

Place: Mumbai
Date: 30.06.2020

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economic Scenario

The Corona virus disease is an infectious disease, which first identified in December 2019 in Wuhan, China, and since then it has spread globally, resulting in an ongoing pandemic. Millions of cases have been reported across the globe. The World health Organization (WHO) has declared this outbreak a Public Health Emergency. India is also one of the Country which has been in complete lockdown for more than 120 days and counting. This lockdown has curtailed economy activity severely and the country is facing worst recession till now.

India has already undertaken the following measures to counter the impact from of this pandemic;

1. Sixty Days countrywide lockdown and fiscal steps, coupled with monetary measures from the RBI, to provide relief for all, especially the vulnerable and the disadvantaged
2. A government has requested the employers to not terminate or cut wages, particularly that of casual or contractual workers, and low-paid workers to also take paid sick leave and unemployment allowance through insurance cover
3. Government to contribute to both employees' and employers' share in the Employees' Provident Fund for the organisations having up to 100 employees and up to 90 per cent of the employees are drawing wage up to Rs 15,000 per month.
4. RBI relaxes lending norms for banks, injects cash into the system, slashes interest rates, and relaxes repayments for three months
5. Managing the pandemic and the resultant public health crisis
6. Protecting income and employment, particularly for the disadvantaged and vulnerable sections of the society
7. Create a national database of the available physical health infrastructure and medical and para-medical resources
8. Segregate the public and private health care facilities by earmarking a section of available hospital beds for treating COVID-19 patients only
9. Earmark financial resources to provide one-time grants/financial support to research institutions and leading pharmaceutical/biotechnology/medical equipment companies
10. Extend the coverage of Ayushman Bharat and other applicable insurance schemes to COVID-19 if not already included
11. Enable access to funds for businesses to run their day to day operations and service their debt
12. Ensure smooth supply of essential products and commodities to contain the economic impact of the COVID-19 outbreak
13. Provide credit support to Medium and Small Enterprises (MSME)
14. Encourage investments such as one-time set off of capital investments made by corporate for income-tax computations.
15. Overall, the steps and the recognition of the likely scenarios for the Indian economy can enable policy makers to identify appropriate counter measures to stem the spread of the pandemic.

Industry Scenario and Outlook;

Long Overdue Labour Law Reforms are Finally here !

44 central laws, 100 state laws, numerous cases, administrative laws, and the lack of uniformity in their definitions have thus far created a legal entanglement for firms in manpower-intensive businesses. Nine of the 44 central laws date back to 1947 and just three of these were enacted post-1990. The multiplicities of definitions and self-contradictions across provisions within different laws have continued to weigh on the creation of new jobs in the formal sector.

Given the current a) grim situation of unemployment (estimated to be ~27%) and b) need to improve the ease of doing business, the central government has shown a great sense of urgency in reducing the labor market rigidity.

The Ministry of Finance announced that the 44 existing central labour laws have been subsumed into four labour codes:

(1) Code on Wages,

(2) Code on Occupational Safety, Health, and Working Conditions,

(3) Code on Social Security, and

(4) Industrial Relations Code (refer to Exhibit 2).

Of these, while the Code on Wages was already approved by the Parliament, the remaining codes are currently with the Parliamentary Standing Committee. Further clarity is awaited on the mode of execution and timelines for implementation.

Fewer the Laws, Higher the justice !

The simplification and unification of the complex web of labor laws should help reduce compliance cost and bandwidth for enterprises. Some of the key changes envisaged in the uniform codes that facilitate this are as follows:

(1) Introduction of 'one license – one registration – one return' model,

(2) Introduction of a centralized authority for implementation, and

(3) Simplification of the procedure for fixing minimum wages, translating into fewer rates.

(4) Web-based labour inspections, carried out via a randomized selection process.

Historically, high cost, complexities of adherence, and issues with labour inspections (such as corruption/ harassment) have remained the key impediments for compliance and, in turn, for the formalization of the workforce. This is likely to change in the new model, aimed at both lowering cost and increasing the ease of compliance. The new paradigm further hints at higher penalties (v/s the old one) for contravention, augmenting the case for strict compliance.

The Finance Minister's address hints at the concept of a Statutory National Floor Wage to be set by the central government. This seems to be aimed at reducing regional disparity in minimum wage and regulatory competition between states (e.g., Recently Uttar Pradesh (UP), Madhya Pradesh (MP), Rajasthan, Punjab, Himachal Pradesh and Gujarat relaxed central labor laws for some time to make it easier for industries to get back on its feet amid Covid 19). However, it is not yet clear which variables (location, cost of living, skill category, industry, gender, etc.) would go into the calculation of this National Floor. Currently, minimum wage across states differs materially (such as 15,000 in New Delhi and 8k in UP). Any benchmarking of this National Floor Wage with high-cost locations could lead to high wage inflation within the formal sector, resulting in the shift to informal. Thus, it may turn counter-productive, subject to the floor wage set.

The Employees' State Insurance Corporation (ESIC) being extended to all establishments employing more than 10 people could have higher cost implications for the formal sector (v/s informal). Moreover, it remains to be seen whether the change related to gratuity provisions (from five years of service completion to one year) would be applicable only for fixed-term employment contracts or even the broader set of permanent employees. If it is applicable across, this may result in higher balance sheet provisioning and cash outflows of the companies.

Staffing Companies would be the key beneficiaries;

The proposed reforms may not be fool proof. However, this is a key step in the right direction. As highlighted above, regulatory easing in the labor markets would result in structural decline in compliance/hiring/workforce management costs in the formal sector. Over the medium to long term, this cost decline should translate into higher formality in the labor market.

In sectors such as IT/ITES, and in micro-markets such as Delhi, it was empirically noted that a larger formal workforce would in turn drive a higher demand for flexi staffing. Accordingly, we believe staffing companies would be the key beneficiaries of these labour law reforms over the long term.

Company Overview;

The Company has commenced operations since 1987, and is currently being managed by the promoter, Mr Virendra D. Sanghavi, and Mr Jaydev Sanghavi, both are chemical engineers. The nearly four-decade-long experience of the promoters has led to a healthy relationship with clients. The group has established itself as a reliable player in the manpower supply industry, leading to sustained improvement in revenue aided by a diversified end-user profile and repeated contracts from existing customers.

Aarvi Encon marks its presence across India and abroad and with 145+ clients and over 4,000 employees on its payroll. The Company is a leading technical manpower outsourcing company providing engineers, designers, on secondment/deputation to companies, dedicated to the energy sector that provides Construction Jobs, Inspection Jobs, Design Engineer Jobs, Designer Jobs, Drilling Jobs, Engineering Jobs, HR and Recruitment Jobs, HSE Jobs, safety jobs, Maintenance Jobs, shutdown Jobs, Marine Jobs, Oil and Gas Jobs, Procurement Jobs, Production Jobs, Project & Control Jobs, Technical Jobs, Pipeline Jobs, Refinery Jobs, Offshore Jobs, Petroleum Jobs, etc.

The company targets sectors like Oil & Gas, Power, LNG, PNG, refinery, Petrochemical, Pipeline, Wind power, Solar Power, Offshore, E&P, Infrastructure, Ports & Terminals, Telecom, Fertilizers, Cement, Automobile, Metro & Mono Rail, Railway, Metals and Minerals, Information Technology.

The Company's India operation has not been much impacted as large parts of the business are working for essential services or work from home was planned in advance. We might have lost few customers or closed the contract due to COVID- 19. At certain project site works on 28 days OFF / 28 days ON. The only challenge we faced was to bring our employees back to work location and allow existing employees to return home. These are being managed with chartering private buses to various locations.

Aarvi Encon FZE, a Wholly Owned Subsidiary based at UAE did not get extension of the contract of high value with one of the big clients in Oil Industry However, the Company has assured that once they get back to work at full capacity, they will surely invite Aarvi Encon to restart the work.

Opportunities and Strength

Strength:-

- The Company has established track record of 30 years indicates the company's ability to survive business cycles.

- Well defined organization structure supported by qualified and experiences second tier management that has decision making powers.
- Experienced Management and Motivated Team:- We believe that, leadership is the result of team work allowing issues and ideas to be developed, widening our competitive advantage. We have grown steadily under the vision, leadership and guidance of our promoters, Mr. Virendra D. Sanghavi and Mr. Jaydev V. Sanghavi. Our promoters have played a key role in developing our business and we benefit from their industry expertise, vision and leadership. Also, they have been assisted by a team of experienced personnel.
- Diversified Service Profile: Diversified service profile, the company provides an array of services to corporates in Oil & Gas, Power, Refinery / Petrochemical, Pipeline, Infrastructure sectors in India and Abroad.
- Technology: the Company has Implemented data management tool for resume sourcing which will increase the efficiency of the working team as people are well versed with technology and usage. It also in process of implementing contact less process of collecting personal data. The Company is planning to digitize maximum processes involved in the day to day functioning to have better and efficient system.

Opportunities:-

- If India turns out to be the next manufacturing hub then it will create many employment opportunities.
- Based on the various reports of the experts in the market in regards to America / European Companies do not wish to be dependent only on China and are planning to look at other Asian countries to set up manufacturing facilities. India has a strong chance to get more investments and business from these companies due to availability of skilled manpower, vast land, ease of doing business in India. The upcoming year i.e FY 2020-21 would create large number of jobs for projects and for Operations & maintenance activity.
- Atmanirbhar, as announced by honourable Prime Minister, India is likely to see surge in manufacturing of Defence equipment, Pharmaceutical, API, Electronics among others.
- Infrastructure Growth: India still sees multiple projects in Pipelines, Roads, Airports. These projects would require Technical Manpower for implementation.
- Currently it looks like lot of Chemical and Mobile company may set up manufacturing facilities in India. Investment of more than Rs. One Lakh crores is already planned.

Challenges and Risks

- Changes in the job market such as key companies reducing staff or no longer hiring temporary staff could result in loss of revenue for the company.
- Though there are a lot of openings in the job market it may not be easy to find the right resource for the job. This scarcity of the right resources is turning into a huge challenge for company.
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Changes in political and social conditions in India.
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.
- Changes in government policies and regulatory actions that apply to or affect our business;

The Company is into Single Revenue Segment i.e Technical Manpower Outsourcing.

Financial Highlights;

	Consolidated (Rs.in crores)	Comments
Particulars	Year ended as on March 31, 2020	-
Net Revenue from Operations	218.05	-
Profit after taxes	7.17	-
EBITDA	9.79	-
Return on Net worth	9.40%	Profit for the year/ Total Equity
EPS	4.86	-
Debtors Turnover Ratio	3.76 times	Net Credit Sales/ Average Trade Receivables
Interest Coverage Ratio	5.34 times	EBIT/Finance Costs
Current Ratio	1.78	Current Assets/Current liabilities
Debt Equity Ratio	0.55	Total liabilities/Total equity
Operating Profit Margin	3.92	EBIT/Revenue from Operations
Net Profit Margin	3.29	-

REPORT ON CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE:

The Corporate Governance philosophy of the Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regularity compliances. The Company operates within accepted standards of proprietary, fair play and justice and aims at creating a culture of openness in relationship between itself and its stakeholders.

Aarvi has set up a system which enables all its employees to voice their concern openly without any fear or inhibition. The Corporate Governance philosophy of the Company has been further strengthened through established code of conduct.

As a responsible corporate citizen, the Company has established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to organizational sustainability, systematic training, learning and personal growth, conservation of energy and other scare resources, promoting safety and health of its employees and of the neighboring community etc.

The Company being a citizen of Indian committed in development of neighboring society and country. We have through providing donations to various charitable institutions for welfare of people in need. We have through various clubs provided computers, laptops and books in various schools as a part of our Social Responsibility.

The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness and to develop capabilities to attain the goal of value creation. The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in the various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the SEBI LODR Regulations 2015"), as applicable to the Company from time to time.

2. BOARD OF DIRECTORS

The Corporate Governance principles of the Company ensure that the Board remains informed, independent and involved in the Company and that there are ongoing efforts towards better Corporate Governance to mitigate "non business" risks. The Board of Directors along with its committees provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing shareholders value. The Company's business is conducted by its employees under the overall supervision of the Board.

Composition and Size of Board

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors, all of whom are eminent persons with considerable professional expertise and experience in business and industry, finance, management and law. The Company is managed and guided by a professional Board comprising 5 Directors whose composition as on March 31, 2020 is given below:

The Company being SME listed, regulations of Corporate Governance were not applicable for the year ended March 31, 2020. The Company had obtained members approval for migration from Emerge platform of National Stock Exchange of India Limited (NSE) to main board of NSE Limited during the year. The Company received NSE final approval for migration of trading of its equity shares from SME Emerge Platform to the Capital Market Segment (Main Board) of NSE Ltd on 22nd June, 2020. Thereafter, Board comprises of 6 Directors. Mr. Sharad Sanghi was appointed as additional director on 03.06.2020.

Composition, Category, Details of Board Meetings and their attendance at Board Meetings and last Annual General Meeting (AGM):

Four Board Meetings were held during the year on 24.05.2019, 30.08.2019, 12.11.2019 and 10.02.2020

During the year, board comprised of 6 directors.

Composition of board of directors as on 31.03.2020 is given below:-

Director	Category	Attendance Particulars		
		Board Meetings		Attendance at last AGM held on 09.08.2019
		Held	Attended	
Mr. Virendra Sanghavi	Promoter, Executive	4	4	Yes
Mr. Jaydev Sanghavi	Promoter, Executive	4	4	Yes
Mr. Devendra Shrimanker	Independent, Non - Executive	4	4	Yes
Mrs. Sonal Doshi	Independent, Non - Executive	4	3	Yes
Dr. (Mrs.) Padma V. Devarajan	Independent, Non - Executive	4	4	Yes
Niranjana Sanghavi #	Non - Executive	2	2	-

resigned w.e.f. 30.08.2019

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies are as under:

Sr. No.	Name of the Directors	Number of Directorships^	Number of Committees^^	
			Member	Chairperson
1	Mr. Virendra Sanghavi	1	0	0
2	Mr. Jaydev Sanghavi	1	2	0
3	Mr. Devendra Shrimanker	3	5	3
4	Mrs. Sonal Doshi	1	2	1
5	Dr. (Mrs.) Padma V. Devarajan	1	1	0
6	Niranjana Sanghavi #	1	2	0

^ Excluding Directorship on the Board of Private Limited Companies, Foreign Companies, Alternate Directorship, Companies under Section 8 of the Companies Act, 2013.

^^ Includes only Audit Committees and Stakeholders Relationship Committees in all public limited companies including Aarvi Encon Limited.

resigned w.e.f. 30.08.2019

Details of directorships in other listed companies:

Name of Director	Names of listed entities	Category
Mr. Devendra Shrimanker	1. Pentokey Organy (India) Limited 2. Citadel Realty And Developers Limited	Independent Director

Role of Independent Directors

Independent directors play a key role in the decision making process of the Board as they approve the overall strategy of the Company and oversee performance of the management. The Independent Directors are committed to act in the best interest of the Company and its stakeholders. The Independent Directors are professionals, with expertise and experience in general corporate management, legal, public policy, finance, banking and other allied fields. This wide knowledge of their fields of expertise as well as the boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

The Non-Executive Directors does not hold any Equity Shares of the Company.

Separate Meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on February 10, 2020. All Independent Directors were present at the meeting with no presence of Non-Independent Directors and Members of the Management for transacting following agenda:

(i) Review the performance of Non-Independent Directors and the Board as a whole;

(ii) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

(iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Relationship between directors inter-se

Mr. Jaydev Virendra Sanghavi is the son of Mr. Virendra D. Sanghavi.

None of the other Directors are related to any other Director on the Board.

- **Familiarization Program for Independent Directors:**

All the Independent Directors inducted on the Board are given an orientation program about Company's business model, group structure, organization structure and such other areas. These programs also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company to enable them to make effective contribution and discharge their functions effectively, as a Board Member. The details on the Company's methodology of the Familiarization Program for IDs can be accessed at: https://www.aarviencon.com/home/policies_of_the_company

The Directors of the Company are from diverse fields and have expertise and long standing experience and expert knowledge in their respective fields which are relevant and of considerable value for the Company's business growth. The Core Skills / Expertise / Competencies required in the Board in the context of the Company's Business and sectors functioning effectively as identified by the Board of Directors of the Company as tabulated below:

Core Skills / Expertise / Competencies	Mr. Virendra Sanghavi	Mr. Jaydev Sanghavi	Mr. Devendra Shrimanker	Mrs. Sonal. Doshi	Dr. (Mrs.) Padma V. Devarajan
Leadership / Operational expertise	√	√	√	√	√
Strategic planning	√	√	√	√	√
Sector / Industry Knowledge & Experience, Business Strategy, Financial Control	√	√	√	√	√
Financial, Regulatory / Legal & Risk Management	√	√	√	√	√
Corporate Social Responsibility and Corporate Governance	√	√	√	√	√

The Independent Directors of the Company furnish a declaration at the time of their appointment and also annually that they meet the criteria of Independence as provided under law. The Board reviews the same and is of the opinion, that the Independent Directors fulfill the conditions specified in the Act and the SEBI LODR Regulations 2015 and are independent of the management.

3. BOARD COMMITTEES

To enable better and focused attention of the affairs of the Company, the Board delegates particular matters to committees of the Board set up for the purpose. These committees prepare the groundwork for decision making and report the same to the Board at the subsequent meetings.

A. AUDIT COMMITTEE

(a) Composition, Name of the Members and Chairperson

The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Companies Act, 2013.

All the members of the Committee are financially literate and Mr. Devendra Shrimanker Chairman of the Audit Committee has adequate knowledge, experience and expertise in accounts and finance. The Company Secretary is the Secretary to the Audit Committee.

The Composition of the Audit Committee and attendance of each Member at the Audit Committee meetings held during the year is as under:

Name of the Member	Designation	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. Devendra Shrimanker	Chairman	Non-Executive and Independent	4	4
Mrs. Sonal Doshi	Member	Non-Executive and Independent	4	3
Dr. (Mrs.) Padma V. Devarajan*	Member	Non-Executive and Independent	4	3
Mr. Jaydev Sanghavi	Member	Executive	4	4

* Appointed as member of the Audit Committee w.e.f. 24.05.2019

(b) Meetings of the Audit Committee

Four meetings of Audit Committee were held during the year ended March 31, 2020, on 24.05.2019, 30.08.2019, 12.11.2019 and 10.02.2020.

(c) Terms of Reference

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is, inter alia, to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors, the performance of internal auditors and the Company's risk management policies etc.

The Audit Committee has been re-constituted during the year under the provisions of Section 177 of the Companies Act, 2013 and the terms of reference of the committee are:

i. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

ii. Recommending to the Board, the appointment, terms of appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

iv. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

   a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Modified opinion(s) / Qualifications in the draft audit report;

v. Reviewing, with the management, the quarterly /half yearly and annual financial statements and auditors limited review reports before submission to the board for approval;

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

vii. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

viii. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof;

ix. Scrutiny of inter-corporate loans and investments;

x. Valuation of undertakings or assets of the Company, wherever it is necessary;

xi. Evaluation of internal financial controls and risk management systems;

xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

xiv. Discussion with internal auditors on any significant findings and follow up there on;

xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

xviii. To review the functioning of the Whistle Blower mechanism, in case the same exists;

xix. Approval of appointment of CFO or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background etc. of the candidate;

xx. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee;

xxi. Monitoring the end use of funds raised through public offers and related matters;

xxii. To investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;

xxiii. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

xxiv. Carrying out any other functions as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time.

B. NOMINATION AND REMUNERATION COMMITTEE

(a) Composition, Name of the Members and Chairperson

Name	Designation in Committee	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. Devendra Shrimanker	Chairman	Non-Executive and Independent Director	1	1
Dr. (Mrs.) Padma V. Devarajan *	Member	Non-Executive and Independent Director	0	0
Mrs. Niranjana Sanghavi #	Member	Non – Executive Director	1	1
Mrs. Sonal Doshi	Member	Non-Executive and Independent Director	1	0

* Appointed as member of the Nomination and Remuneration Committee w.e.f. 30.08.2019

Ceased as member of the Nomination and Remuneration Committee w.e.f. 30.08.2019

(b) Meeting of the Nomination and Remuneration Committee

During the year under review, one meeting of the committee was held on 24.05.2019

(c) Terms of Reference

The Nomination and Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and it comprises of three Independent Non-Executive Directors.

The terms of reference of the committee are:

i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;

ii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

iii. Devising a policy on diversity of Board of Directors;

iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

v. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

vi. recommend to the board, all remuneration, in whatever form, payable to senior management;

vii. While formulating the Policy, the Committee should ensure that-

a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

viii. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

(d) Performance Evaluation criteria for Independent Directors:

Nomination and Remuneration Committee has set the performance evaluation criteria for Independent Directors and have formulated the performance evaluation framework, which has been circulated to all the Directors. The factors that are evaluated includes participation and contribution by a Director, commitment, efforts taken by Director to promote mutual trust and respect, assisting in implementing and enhancing corporate governance activities, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, Name of the Members and Chairman

Name	Designation in Committee	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mrs. Sonal Doshi	Chairperson	Non-Executive and Independent Director	0	0
Mr. Jaydev Sanghavi	Member	Executive Director	0	0
Mr. Devendra Shrimanker	Member	Non-Executive and Independent Director	0	0
Mr. Jay Shah	Company Secretary and Compliance officer	-	0	0

(b) ***Meetings of the Stakeholders' Relationship Committee***

No meeting of the Stakeholders' Relationship Committee held during the year ended March 31, 2020.

(c) Terms of reference

Stakeholders' Relationship Committee has been constituted as per the provisions of Section 178 of the Companies Act, 2013. The Committee shall oversee all matters pertaining to investors of the Company.

The terms of reference of the committee are:

i. To consider and resolve the grievances of security holders of the Company;

ii. To approve Transfer / Transmission / Dematerialisation / Rematerialisation of Equity Shares of the Company;

iii. To approve issue of new / Duplicate/ Consolidated / Split Share Certificate(s);

iv. To carry out such functions for redressal of shareholders' and investors' complaints, including but not limited to matters relating to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend and any other grievance that a shareholder or investor of the Company may have against the Company;

v. To oversee the performance of the Registrar and Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services; and

vi. To do all other acts, deeds and things or otherwise deal with all matters in relation to the Shareholders and other Stakeholders;

vii. Review of measures taken for effective exercise of voting rights by shareholders;

viii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

ix. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

x. To carry out any other function as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:-

The composition, role, terms of reference as well as powers of the Corporate Social Responsibility ("CSR") Committee of the Company are in compliance with the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Composition: The Committee comprises Two (2) Independent Directors and Managing Director, as on the date of this Report. The composition of the CSR Committee, category of its Members and their attendance at the Committee Meetings held during the year under review is given below:

Name of the Member	Designation	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. Virendra D. Sanghavi	Chairman	Managing Director	4	4
Mr. Devendra J. Shrimanker*	Member	Non-Executive and Independent Director	4	3
Mrs. Sonal N. Doshi	Member	Non-Executive and Independent Director	4	3

* Appointed as Member w.e.f August 30, 2020

The scope and functions of the CSR Committee are in accordance with Section 135 of the Act and its terms of reference include the following:

(i) The activities to be undertaken by the Company as specified in Schedule VII of the Act;

(ii) Recommend the amount of expenditure to be incurred on the aforesaid activities; and

(iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time. The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programme/ activities proposed to be undertaken by our Company.

The roles and responsibilities of the Board with regards to the CSR policy shall be as per the provisions of the Act which are stated as hereunder:

(a) Formulate and recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in (a) above; and

(c) Monitor the Corporate Social Responsibility policy of the Company from time to time.

FINANCE AND MANAGEMENT COMMITTEE;

The composition, role, terms of reference as well as powers of the Corporate Social Responsibility ("CSR") Committee of the Company are in compliance with the provisions of the Companies Act, 2013.

Name of the Member	Designation	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mr. Virendra D. Sanghavi	Chairman	Managing Director	7	7
Mr. Jaydev V. Sanghavi	Member	Executive Director	7	7
Mrs. Niranjana V. Sanghavi*	Member	Non-Executive Director	7	3

* Mrs. Niranjana V. Sanghavi, Non-Executive Director resigned on August 30, 2020.

Terms of Reference;

1. To open and close any bank accounts of the Company, to decide any change in the authorised signatories for operation of such accounts, availing corporate internet banking facility in the name of the Company with any bank in India and to sign, execute and submit any documents as may be considered necessary in this regard.

2. Provide Financial or Performance Guarantee, issuing letters of comfort within the limit of Rs. 27.5 Crores as sanctioned by Yes Bank Limited by their sanction letter dated July 19, 2019, Rs. 8 Crores as sanctioned by CITI Bank, N.A. by their sanction letter dated January 22, 2020 and Rs. 15 Crore as sanctioned by HSBC Bank dated December 24, 2019, provide earnest money deposit (EMD) of the amount as mutually decided between the Company and clients for day to day workings of the Company and to authorize Companies representatives to sign, execute, certify and submit the application, undertakings, deeds or any other documents as may be considered necessary in this regard.

3. Provide Individual Guarantees in the capacity of Director/issuing letters of comfort within the limit sanctioned by the lenders.

a. And to authorize Companies representatives to sign, execute, certify and submit the application, undertakings, deeds or any other documents as may be considered necessary with respect to the abovementioned existing borrowings of the Company which shall not exceed at any time limit of Rs. 150 Crores (Rupees One Hundred and Fifty Crores Only) as set out by the Board Resolution dated 17th July, 2017 of the Company.

4. Authorize Company representatives to make application, declaration, submit related documents to government authorities, regulatory authorities for making necessary changes as required by the Company in the legal documents, certificates, license of the Company.

5. To grant any authorities for signing of and executing any applications, agreements, letter of authorities, power of attorneys, deeds or other documents etc. for and on behalf of the Company

6. To grant any authorities in favour of any officials or other authorised persons to represent and appear for and on behalf of the Company before any Courts, Government or non-Government authorities, bodies or any other officers empowered by the law in any matter.

7. Review the Company's financial plans, risk assessment and minimization procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.

8. Review banking arrangements and cash management.

9. Review the Companies Management, Organizational Structure and periodically or an event based, authorize the Companies representatives to do all such acts, deeds and things as may be considered necessary in relation to the routine transactions on behalf of the Company and recommend changes if any in the organization structure of the Company.

10. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

11. Delegate authorities from time to time to the executives/authorised persons to implement the decisions of the Committee and Regularly review and make recommendations about changes to the charter of the Committee.

- ***Name, Designation and Address of the Compliance Officer***

  Jay H. Shah
  Company Secretary and Compliance Officer:
  B1-603, Marathon Innova, Marathon Nextgen Complex,
  Lower Parel (West), Mumbai – 400013.
  Tel: 022 – 4049 9907 Email: jay.shah@aarviencon.com

- ***Investor Grievance Redressal***

  The total number of complaints received and replied to the satisfaction of shareholders during the year under review is as under:

Quarter	Pending from earlier quarter	Received during the quarter	Resolved during the quarter	Pending at end of the quarter
Jun – 2019	0	0	0	0
Sep – 2019	0	0	0	0
Dec – 2019	0	0	0	0
Mar - 2020	0	0	0	0
Total	**0**	**0**	**0**	**0**

The Committee has not received any shareholders complaint during the FY 2019-20.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent (R & T Agent), M/s. Bigshare Services Private Limited attend to all the grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Company maintains continuous interaction with the said R & T Agent and takes proactive steps and actions for resolving complaints/queries of the shareholders/ investors and also takes initiatives for solving critical issues. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

4. REMUNERATION TO:

a. Managing Director & Whole-Time Director:

The remuneration/compensation/commission etc. to the Managing Director, Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/ commission etc. to the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Managing Director/Whole-time Director/Executive Director shall be in accordance with the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Schedule V and other applicable rules made thereunder.

Revision to the existing remuneration/compensation structure may be recommended by the Committee to the Board subject to approval of the Shareholders when necessary, in the case of Managing Director/Whole- time Director/Executive Director and would be based on the individual's performance as well as the Company's overall performance.

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director/ Executive Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty of negligence, default, misfeasance, breach of duty or breach of trust, the premium paid on such insurance shall be treated as part of the remuneration.

b. **Non-Executive Directors & Independent Directors:**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. The Independent/Non-Executive Director shall be entitled to reimbursement of expenses for participation in the Board and other meeting.

However in the case of Non Executive Director, Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

An Independent Director shall not be entitled to any stock option of the Company.

c. Key Managerial Personnel (KMP), Senior Management & other employees:

The KMP, Senior Management and other employees of the Company shall be paid remuneration as per the policies implemented by the Company from time to time.

LOAN TO SENIOR MANAGEMENT (OTHER THAN MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR) AND OTHER EMPLOYEES OF THE COMPANY:

The loan may be given to the above concerned for the purposes such as Marriage, Education, Housing Loan or such other purposes, in accordance with the policies implemented by the Company from time to time.

5. GENERAL BODY MEETINGS

Annual General Meeting

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Year	Date and Time	Venue	Special Resolutions Passed
2018 -19	August 06, 2019 at 11.30 A.M.	M. C. Ghia Hall, Bhogilal Hargovinddas Building, 18/20 K. Dubash Marg, Behind Prince of Wales Museum, Kalaghoda, Fort, Mumbai – 400001.	-
2017-18	August 31, 2018 at 11.30 A.M.	M. C. Ghia Hall, Bhogilal Hargovinddas Building, 18/20 K. Dubash Marg, Behind Prince of Wales Museum, Kalaghoda, Fort, Mumbai – 400001.	-
2016-17	July 15, 2017 at 2.30 P.M.	603, B1, Marathon Innova, Marathon Nextgen complex, Lower Parel (W), Mumbai-400013.	-

B. Postal Ballot

During the year, the members of the Company approved the following matters through postal ballot on 14.10.2019 and 29.11.2019 and its voting results of the postal ballot are as follows:

Voting results of postal ballot on 14.10.2019

Sr. No.	Particulars	Type of Resolution	No of Votes Polled	votes casted in favour		votes casted against	
				No. of Votes	%	No. of Votes	%
1	Approval of increase in Authorised Share Capital from Rs. 15 crores to Rs. 20 crores	Ordinary	11328000	11328000	100	0	0
2	Migration from Emerge platform of NSE Limited to main board of NSE Limited	Special	11328000	11328000	100	0	0

Voting results of postal ballot on 29.11.2019

Sr. No.	Particulars	Type of Resolution	No of Votes Polled	votes casted in favour		votes casted against	
				No. of Votes	%	No. of Votes	%
1	Variation in the object clause of prospectus dated 14.09.2019 for utilization of issue proceeds	Special	11850000	11514000	97.16	336000	2.84

Mr. Sunil Agarwal, Proprietor, M/s. Sunil Agarwal & Co., Company Secretaries was appointed to act as the scrutinizer for aforesaid postal ballot process. The detailed procedure mentioned in the postal ballot notice, the scrutinizer's report and the voting results are available on the website of the Corporation.

There is no immediate resolution which is required to be passed through postal ballot under the provisions of the Companies Act, 2013.

PROCEDURE FOR POSTAL BALLOT

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of NSDL.

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode or physical mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the share registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are also displayed on the Company website, www.aarviencon.com besides being communicated to the stock exchanges, depository and registrar and share transfer agent.

The effective date on which the resolution would be deemed to have been passed shall be as prescribed in postal ballot notice.

6. MEANS OF COMMUNICATION:

Quarterly/ Half yearly Results: During the year 2019-20, company being SME listed, regulation 47 of listing regulations was not applicable, therefore company was not required to publish financial results in newspaper. However, the financial results and the official news releases are also displayed on the Company's website: www.aarviencon.com

Website: The Company's website: www.aarviencon.com contains a separate section 'Investors' where shareholders' information is available. The Company's Financial Results and Annual Reports are also available on the Company's website in the downloadable form.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are filed electronically on NEAPS. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at https://www.connect2nse.com/LISTING.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

7. GENERAL SHAREHOLDER INFORMATION

32nd Annual General Meeting

Tuesday, September 22, 2020 and Time: 11 A.M.

Venue: Deemed venue of the AGM shall be Aarvi Encon Limited Registered Office at Mumbai.

Financial Year: 1st April, 2019 to 31st March, 2020

Listing on Stock Exchanges

The Company's equity shares are actively traded on National Stock Exchange of India Limited (NSE)

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051,

Website : www.nseindia.com.

Payment of listing fees:

The Company has paid the annual listing fees to the stock exchange for the FY 2020-21.

Stock code

National Stock Exchange of India Limited	:	AARVI
ISIN for equity shares	:	INE754X01016

Market price data- high, low during each month in last financial year

High, Low during each month and trading volumes of the Company's Equity Shares during the financial year 2019-20 at NSE are given below

2019-20	National Stock Exchange of India Limited (NSE)		
	Month's High Price (Rs.)	**Month's Low Price** (Rs.)	**No. of Shares traded**
April 2019	43.05	42.30	72,000
May 2019	37.00	37.00	2,000
June 2019	36.20	36.00	4,000
July 2019	34.20	34.20	2,000
August 2019	28.35	27.50	12,000
September 2019	34.15	34.15	2,000
October 2019	46.00	45.20	6,000
November 2019	35.50	35.40	6,000
December 2019	30.35	30.35	2,000
January 2020	27.00	27.00	2,000
February 2020	22.55	22.50	6,000
March 2020	21.45	21.20	4,000

Registrar & Share Transfer Agent:

Bigshare Services Private Limited
Unit: Aarvi Encon Limited
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri (West), Mumbai – 400 059.

Share Transfer System

Shareholders/ Investors are requested to forward documents related to share transfer, and other related correspondences directly to Bigshare Services Private Limited at the aforementioned address for speedy response. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

The Company obtains from a Company Secretary in Practice a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

Distribution of Shareholding

Statement showing Shareholding Pattern as on 31st March, 2020

Category of Shareholders	Number of shares	% of Shareholding
Shareholding of Promoter and Promoter Group	1,08,50,000	73.39
Mutual Funds	0	0
Central Government/state Government(s)	0	0
Financial Institutions / Banks	0	0
Foreign Institutional Investors (Including FPI)	0	0

NBFC Registered with RBI	0	0
Bodies Corporate	3,10,000	2.10
Individual shareholders holding nominal share capital up to Rs. 2 lakhs	10,79,000	7.30
Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	20,96,000	14.18
Clearing Members	2,79,000	1.89
Non Resident Indians	16,000	0.11
Foreign Companies	0	0
Other Directors	0	0
HUF	1,50,000	1.01
Trusts	4,000	0.03
IEPF	0	0
TOTAL	**1,47,84,000**	**100**

Dematerialization of shares as on 31st March, 2020

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of Rs. 10 each	
	Number	% of total
Dematerialised form		
CDSL	11699000	79.13
NSDL	3085000	20.87
Total	**14784000**	**100**

Liquidity

Shares of the Company are actively traded on NSE as seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the investors.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as at March 31, 2020.

Foreign Exchange Risk and Hedging Activities

1. Risk Management with respect to the and Forex:

   Risk Management only pertains to forex transactions pursued by the company in the normal course of business. The company has formed strategies for dealing with the same.

Address for Correspondence

Queries may be addressed to:

Jay H. Shah
Company Secretary and Compliance Officer
Aarvi Encon Limited,
B1-603, Marathon Innova, Marathon Nextgen Complex, Lower Parel (West), Mumbai – 400013.
Tel: 022 – 4049 9907
Email: jay.shah@aarviencon.com/info@aarviencon.com

Shareholders' correspondence should be addressed to Company's Registrar & Share Transfer Agent at the below mentioned address

Bigshare Services Private Limited

Unit: Aarvi Encon Limited
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (West), Mumbai – 400059
Tel.: +912262638200
Fax: +912262638299
Email: info@bigshareonline.com
Website: www.bigshareonline.com

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

The Company's Domestic Credit Rating is CRISIL SME Rating 1 for the long-term debt /facilities by CRISIL. CRISIL has reaffirmed its ratings i.e BBB/ STABLE for long term borrowings and A3 + for

short term borrowings. The Credit Rating derive strength from the operational track record of the Company, cost competitiveness, flexibility derived from diversified services and the Company' s effort to reduce cost and to improve cost efficiency.

Other Disclosures

1. **Policy on materially significant Related Party Transactions**

   During the financial year 2019-20, no transactions of material nature had been entered into by the Company that may have a potential conflict of interest of the Company at large. Refer to Note 29 to the Financial Statements for disclosure of related parties.

   The Company has formulated policy on dealing with related party transactions. This policy is placed on the Company's website https://www.aarviencon.com/assets/img/policy-for-related-party-transactions.pdf

2. The Company has complied with the requirements of regulatory authorities on capital markets- There are no non-compliances for which penalty/stricture was imposed by the stock exchange(s) or SEBI or any other statutory Authority on the Company during the last three years.

3. The Company has formulated Vigil Mechanism / whistleblower policy with an aim to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy system which is embedded in its Code of Conduct. The Code of Conduct of the Company serves as a guide for daily business interactions, reflecting the Company's standard for appropriate behavior and living Corporate Values. This policy is placed on the Company's website www.aarviencon.com

   It is affirmed that no person has been denied direct access to the chairperson of the Audit committee.

4. The Company has adopted policy for determining Material Subsidiary in accordance with Regulation 24 of the SEBI LODR, 2015; the said policy is placed on the Company's website https://www.aarviencon.com/assets/img/determination-of-material-subsidiaries.pdf

   The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. A report on significant developments of the unlisted subsidiary companies is periodically placed before the Board of Directors of the Company.

   The Company has three subsidiary Companies as on March 31, 2020.

   Aarvi Encon FZE located at United Arab Emirates (UAE).

   Aarvi Engineering and Consultants Private Limited (India)

   Aarvi Encon Resources Limited located at United Kingdom (UK).

   During the year under review Aarvi Encon FZE, a wholly owned Subsidiary Company became a material subsidiary of the Company as it contributes the revenue of more than 10% to the total revenue of the Company.

5. **Disclosure of commodity price risks and commodity hedging activities.**

   The Company does not have any un-hedged exposure to commodity price risk and foreign exchange risk.

6. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the listing regulation.

7. Based on the declaration / confirmation made by the Director,, the Company has obtained a Certificate from M/s. Bhatt & Associates Company Secretaries LLP Practising company secretaries confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The copy of the same forms part of this Annual Report.

8. There have been no instances during the year where recommendations of the Committees of the Board were not accepted by the Board.

9. The total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part on consolidated basis for the financial year 2019-20 is Rs. 10 Lakhs.

10. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

	Particulars	No. of Complaints
a.	Number of complaints filed during the financial year	0
b.	Number of complaints disposed of during the financial year	0
c.	Number of complaints pending as on end of the financial year	0

The Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year, no such complaints were received. The Company has also constituted an Internal Complaints Committee under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

11. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed – Not Applicable

12. **Compliance with the Discretionary Requirements under the Listing Regulations**

    The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of the SEBI LODR, 2015.

13. **Compliance with Non mandatory requirements**

    In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

    - The Company's financial statements are unqualified.
    - The Chairman is an executive chairman and is entitled to maintain chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of duties.

14. As on 31.03.2020, company being SME listed the disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are not applicable.

15. **Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.**

    The Company has adopted the Code of Conduct for directors and senior management personnel. The Code has been circulated to all the members of Board and senior management personnel and the same has been posted on the Company's website. The Board and senior management personnel have affirmed their compliance with the Code and a declaration signed by the Managing Director of the Company is given below:

    "It is hereby declared that the Company has obtained from all the Board and senior management personnel affirmation that they have complied with the Code of Conduct for the Directors and senior management of the Company for the year 2019-20".

16. **Certificate on Corporate Governance**

    A Certificate from Practicing Company Secretary, M/s. Bhatt & Associates Company Secretaries LLP, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to the Directors' Report forming part of the Annual Report.

17. **Policy on Insider Trading**

    The Company has formulated a Code of Conduct for Prevention of Insider Trading (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading)

Regulations, 2015 and as amended from time to time.

The Board has appointed the Company Secretary as the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board.

The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of Unpublished Price Sensitive Information in relation to the Company during certain prohibited periods.

8. A) No. of Board Meetings held during the year;

4 (Four) Board Meetings were held during the year (FY. 2019 - 20). The details of the Board Meetings held are given below;

Date of Board meeting	Board Strength	No. of Director Present
24.05.2019	6	5
30.08.2019	6	6
12.11.2019	5	5
10.02.2020	5	5

B) Audit Committee Meetings were held during the year i.e 2019-20, the details of the Audit Committee Meetings are as follows;

Date of Audit Meeting	Committee Strength	No. of Directors Present
24.05.2019	3	2
30.08.2019	4	4
12.11.2019	4	4
10.02.2020	4	4

C) Nomination and Remuneration Committee Meetings were held during the year i.e 2019 -20, the details of the Nomination and Remuneration Committee Meetings are as follows;

Date of Nomination and Remuneration Committee Meeting	Committee Strength	No. of Directors Present
24.05.2019	3	2

D) Corporate Social Responsibility (CSR) Committee Meetings were held during the year i.e 2019 -20, the details of the Corporate Social Responsibility Committee Meetings are as follows;

Date of CSR Meeting	Committee Strength	No. of Directors Present
24.05.2019	3	2
30.08.2019	3	3
12.11.2019	3	3
10.02.2020	3	3

E) Finance and Management Committee Meetings were held during the year i.e 2019 -20, the details of the Finance and Management Committee Meetings are as follows;

Date of Finance and Management Committee Meeting	Committee Strength	No. of Directors Present
20.06.2019	3	2
22.08.2019	3	2
01.07.2019	2	2
16.12.2019	2	2
02.01.2020	2	2
31.01.2020	2	2
07.03.2020	2	2

9. Appointment of Directors:-

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect from April 1, 2014. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation.

Your Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations.

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on our website at www.aarviencon.com

10. Policy for Selection and Appointment of Directors and their Remuneration

Board Governance, Nomination and Compensation Committee has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration.

a. **Managing Director & Whole-Time Director**

The Managing Director & Whole-Time Director shall be appointed on the basis of their qualification, expertise and experience in the Business of Aarvi Encon Limited. The term of the appointment or re-appointment of Managing Director & Whole-Time Director shall be for the period of five years. Aarvi Encon Limited shall not appoint or continue the employment of any person as Managing Director or Whole-Time Director who has attained the age of seventy-five years, provided that the term of such person may be extended by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy-five years.

b. **Non-Executive Directors & Independent Directors:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of 5 years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The appointment of the Independent Directors shall be in accordance with Schedule IV to the Companies Act, 2013.

c. **Key Managerial Personnel (KMP)**

A person to be appointed as a KMP should possess adequate qualification, knowledge and expertise. The Committee has discretion to decide whether qualification, knowledge and expertise possessed by a person is sufficient/ satisfactory for the concerned position.

d. **Senior Management & other employees**

The person at the level of Senior Management and other employees shall be appointed as per the policy formulated by Human Resource Department.

11. Meetings other than Annual General Meeting;

During the FY 2019-20, there are no other general meetings of the members of the Company except the 31st Annual General Meeting.

12. Dividend Distribution Summary;

Financial Year	Amount of Dividend (₹)	Date of payment	Dividend tax (₹)	%
2018-19	1,47,84,000	19/08/2019	30,38,895	10
2017 -18	73,92,000	04/09/2018	15,04,837	5
2016-17	31,00,000	01/03/2017	6,29,222	10
2015-16	62,00,000	19/02/2015	12,62,174	20
2014-15	62,00,000	26/09/2014	10,53,690	20

For and on behalf of the Board of Directors
Aarvi Encon Limited.

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:- 00759176
Date: June 30, 2020
Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,
Aarvi Encon Limited,

I have examined the compliance of Corporate Governance by **Aarvi Encon Limited** ('the Company') for the year ended March 31, 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the SEBI Listing Regulations for the period from April 01, 2019 to March 31, 2020.

The Company being SME listed, regulations of Corporate Governance were not applicable for the year ended March 31, 2020. The Company had obtained members approval for migration from Emerge platform of National Stock Exchange of India Limited (NSE) to main board of NSE Limited during the year. The Company received NSE final approval for migration of trading of its equity shares from SME Emerge Platform to the Capital Market Segment (Main Board) of NSE Ltd on 22nd June, 2020.

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

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the management, I certify that the conditions of Corporate Governance as stipulated in SEBI Listing Regulations were not applicable to the company as on March 31, 2020.

I further state that this Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For Aashish K. Bhatt & Associates
Practising Company Secretaries
(ICSI Unique Code S2008MH100200)

Date: 30.06.2020
Place: Mumbai

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023
UDIN: A019639B000401757

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 1 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, 2020, 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 31st 2020, 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.

1. Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of AS 9 "Revenue Recognition"

The application of the accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.

Auditor's Responses

Principal Audit Procedures

We assessed the Company's process to identify the impact of adoption of the revenue accounting standard.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
- Selected a sample of continuing and new contracts and performed the following procedures:
  - Read, analysed and identified the distinct performance obligations in these contracts.
  - Compared these performance obligations with that identified and recorded by the Company.
  - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
  - Samples in respect of revenue recorded for time and material contracts were tested using a

combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.

- Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
- In respect of samples relating to fixed-price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems.
- Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
- We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

2. Key Audit Matter

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.

Auditor's Responses

Principal Audit Procedures

Obtained details of completed tax assessments and demands for the year ended March 31, 2019 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 Auditors Report that includes our opinion. Reasonable assurance is a high level of assurance is not a gurantee tha 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 entitles 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, 2020 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, aforesaid consolidated financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with accounting principles generally accepted in India of the consolidated state of affairs of the Company as at 31st March 2020 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of foreign subsidiary Aarvi Encon (FZE), whose financial statements reflect total assets of Rs.16,58,71,000/- (AED 80,77,173/-) as at 31st March, 2020, total revenue of Rs.26,83,24,000/- (AED 136,28,569/-) and net cash inflow of Rs.4,18,00,000/- (AED 20,13,192/-) 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. Also, the audit of financial statements of other foreign subsidiary Aarvi Encon Resources Ltd whose financial statements reflect total assets of Rs.8,900/- is not required to be audited as per the statutory requirements of the respective country.

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 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:

1. 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;

2. 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;

3. 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;

4. In our opinion, the aforesaid Consolidated Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

5. On the basis of written representations received from the directors of the Holding Company as on 31st March, 2020 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, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

6. 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 2', which is based on the auditors' reports of the subsidiary companies incorporated in India.

7. 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.

For **Arvind H. Shah & Co**.
Chartered Accountants
Firm Reg. No. 100577W

Arvind Shah
(Proprietor)
Membership No. 100/31224
UDINo. : 20031224AAAABQ6938.

Place : Mumbai.
Date : 30th June, 2020.

Annexure to the Independent Auditors' Report of Consolidated Financial Statements

Annexure 1 : List of Subsidiaries

1. Aarvi Engineering & Consultants Private Limited
2. Aarvi Encon (FZE)
3. Aarvi Encon Resources Ltd

Annexure – 2.

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 31st March, 2020, We have audited the internal financial controls over financial reporting of **Aarvi Encon Limited** (hereinafter referred to as "the holding company") and it's subsidiaries (the holding company and it's 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's 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 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Arvind H. Shah & Co**.
Chartered Accountants
Firm Reg. No. 100577W

Arvind Shah
(Proprietor)
Membership No. 100/31224
UDINo. : 20031224AAAABQ6938.

Place : Mumbai.
Date : 30th June, 2020.

Consolidated Balance Sheet as at March 31, 2020

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4A	1,055.10	1,132.50	641.80
(b) Goodwill on Consolidation	5	20.12	20.12	20.12
(c) Right of Use Asset	4B	60.31	81.62	102.87
(d) Other Intangible Assets	4C	3.85	4.80	4.84
(e) Intangible Asset Under Development	4D	11.50	8.25	-
(f) Financial Assets	6			
(i) Loans and Advances	6.3	231.26	184.96	84.46
(ii) Others	6.5	913.43	1,064.39	1,195.32
(g) Deferred Tax Asset, Net	7	16.18	16.27	14.27
(h) Other non current assets	8	2,405.61	2,217.28	1,338.12
		4,717.37	**4,730.19**	**3,401.80**
(2) Current Assets				
(a) Inventories		-	-	-
(b) Financial Assets	6			
(i) Investments	6.1	31.63	-	-
(ii) Trade Receivable	6.2	5,802.75	4,874.87	4,062.62
(iii) Cash and cash equivalents	6.4	491.76	358.47	737.69
(iv) Other Bank Balances	6.4	155.90	120.38	135.79
(v) Loans and Advances	6.3	27.59	31.13	47.16
(vi) Others	6.5	460.38	414.88	139.71
(c) Other current assets	8	113.67	105.15	69.32
		7,083.69	5,904.88	5,192.30
Total Assets		**11,801.06**	**10,635.07**	**8,594.10**
EQUITY & LIABILITIES				
Equity				
(a) Equity Share capital	9	1,478.40	1,478.40	1,478.40
(b) Other Equity	10	6,154.02	5,539.53	4,735.64
Equity attributable to owners of Holding Company		**7,632.42**	**7,017.93**	**6,214.04**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities	11			
(i) Borrowings	11.1	8.38	17.21	26.45
(ii) Lease Liabilty	11.2	46.23	67.80	84.24
(iii) Others	11.5	102.51	256.53	249.13
(b) Provisions	14	2.47	-	-
(c) Deferred Tax Liabilities (Net)	12	30.38	36.50	14.78
(d) Other Non-current liabilities	13	-	-	-
		189.97	**378.03**	**374.59**
Current liabilities				
(a) Financial Liabilities	11			
(i) Borrowings	11.3	874.10	699.57	349.19
(ii) Lease Liability	11.2	21.57	16.44	14.19
(iii) Trade payables	11.4	949.36	417.17	151.66
(iv) Others	11.5	1,404.66	1,404.49	814.06
(b) Other current liabilities	13	718.17	701.44	668.29
(b) Provisions	14	10.82	-	2.28
(c) Liabilities for current tax (net)	15	-	-	5.79
		3,978.68	3,239.11	2,005.46
Total Equity and Liabilities		11,801.06	10,635.07	8,594.10

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(All amounts are Rupees in lakhs unless otherwise stated)

	Particulars	Note Ref	Ind AS Year ended March 31, 2020 (Rs.)	Year ended March 31, 2019 (Rs.)
I	**Revenue from Operations (Gross):**	16	21,805.04	20,603.80
II	**Other Income:**	17	59.92	121.25
III	**Total Revenue (I + II)**		**21,864.96**	**20,725.04**
IV	**Expenses:**			
	Employee Benefit Expenses	18	14,575.86	14,304.69
	Finance Cost	19	160.12	114.43
	Depreciation and amortisation expense	20	124.11	95.50
	Other Expenses	21	6,309.45	5,197.73
	Total Expenses (IV)		**21,169.54**	**19,712.35**
V	**Profit/(Loss) Before Tax (III-IV)**		**695.42**	**1,012.70**
VI	**Tax Expense**	22		
	1. Current Tax		64.20	122.00
	2. Short/Excess Provision of Tax		(36.96)	7.68
	3. Deferred Tax (Credit)/Charge		(49.62)	19.72
	Total Tax Expenses (VI)		**(22.38)**	**149.40**
VII	**Profit/(Loss) for the period (V-VI)**		**717.80**	**863.29**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		(2.19)	(4.98)
	tax effect thereon			
	(ii) Items that will be reclassified to profit or loss			
	Changes in foreign currency translation reserve		77.10	34.25
	tax effect thereon			
	Other Comprehensive Income for the year, net of tax		**74.91**	**29.27**
IX	**Total comprehensive income for the year**		**792.71**	**892.56**
X	**Net Profit attributable to:**			
	Owners of the Holding Company Profit / (Loss)		717.80	863.29
	Non-Controlling Interest Profit /(Loss)		-	-
			717.80	**863.29**
XI	**Other Comprehensive Income attributable to:**			
	Owners of the Holding Company		74.91	29.27
	Non-Controlling Interest		-	-
			74.91	**29.27**
XII	**Total Comprehensive Income attributable to:**			
	Owners of the Holding Company		792.71	892.56
	Non-Controlling Interest Profit /(Loss)		-	-
			792.71	**892.56**
XIII	**Earnings per Share**			
	Basic & Diluted	23	4.86	5.84
	Nominal Value per share of Rs.10 each			

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Statement of Changes in Equity

(All figures are in lakhs unless otherwise stated)

A Equity

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1,2018	
	Number of Shares	**Amount**	Number of Shares	Amount	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid						
Balance at the beginning of the reporting period	14,784,000	1,478.40	14,784,000	1,478.40	14,784,000	1,478.40
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of Reporting period	14,784,000	1,478.40	14,784,000	1,478.40	14,784,000	1,478.40

B Other Equity

Particulars	**Retained Earnings**	**Securities Premium**	**OCI - Exchange differences on translation of Foreign Operations**	**General Reserve**	**Total**
Balance as per Previous GAAP	**2,723.56**	**1,491.99**	**(4.39)**	**567.37**	**4,778.53**
Adjustments:					
Fair Value of Financial Assets at Amortised Cost	(0.67)	-		-	(0.67)
Provision for Expected Credit Loss	(42.22)	-		-	(42.22)
Defined Benefit Obligation	-	-		-	-
Balance as at April 1, 2018 as per IND AS	**2,680.67**	**1,491.99**	**(4.39)**	**567.37**	**4,735.64**
Profit/(Loss) for the year	863.29	-		-	863.29
Dividend & Dividend Distribution tax	(88.97)	-		-	(88.97)
Less Utilised for Writing of/ Reversal of Share Issue Expenses	-	0.30		-	0.30
Exchange differences on translation of Foreign Operations			34.25		34.25
Defined Benefit Obligation	(4.98)	-		-	(4.98)
Balance as at 31 March 2019	**3,450.01**	**1,492.29**	**29.86**	**567.37**	**5,539.53**
Profit/(Loss) for the year	717.80	-		-	717.80
Dividend & Dividend Distribution tax	(178.23)	-		-	(178.23)
Less Deferred tax liability on above	-	-		-	-
Exchange differences on translation of Foreign Operations			77.10		77.10
Defined Benefit Obligation	(2.19)	-		-	(2.19)
Balance as at 31 March 2020	**3,987.40**	**1,492.29**	**106.96**	**567.37**	**6,154.02**

Retained Earnings

Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/loss of defined benefit plans.

Securities Premium

Premium received on equity shares issued are recognised in the securities premium

Foreign currency translation reserve (FCTR)

Exchange differences on translating the financial statements of foreign operations.

The General Reserves of the Company has been invested in the working capital of the Company to enhance the business of the Company.

Securities premium reserve is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of Section 52 of Companies Act, 2013.

During FY 2017 -18, the Company had come up with the Initial Public Offer (IPO) and raised 21.24 Crores, out of which Security Premium of Rs. 17.30 Crores was raised.

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Consolidated Cash Flow Statement for the period ended March 31, 2020

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	2019-20		2018-19	
Cash flows from operating activities				
Profit /(loss) before tax		695.42		1,012.70
Adjustments:				
Depreciation & amortisation	124.11		95.50	
Re-measurement of defined benefit obligation	(2.19)		(4.98)	
Interest expense	151.64		104.30	
Interest expense on Lease Liability	8.48		10.13	
Interest income	(56.13)		(69.11)	
Liabilities no longer required written back	(0.32)		(0.98)	
Expected Credit Loss	47.80		47.98	
Profit on sale of property, plant and equipment	(1.84)		(50.70)	
Exchange (gain) / loss	1.89		(0.45)	
Interest Income on Financial Assets at FVTPL	(1.63)		-	
Loss on sale of property, plant and equipment	4.30		-	
		276.11		131.68
Operating cash flows before working capital changes and other assets		**971.53**		**1,144.38**
Decrease/ (increase) in Trade receivables	(898.59)		(825.98)	
Decrease/ (increase) in Financial Assets	66.97		(572.03)	
Decrease/ (increase) in Other Assets	(8.52)		(35.76)	
(Decrease)/increase in Trade Payables	530.62		267.23	
(Decrease)/increase in Financial Liabilities	(150.67)		603.33	
(Decrease)/increase in Other Liabilities	30.02		30.87	
		(430.16)		(532.34)
Cash generated from operations		**541.37**		**612.04**
Income taxes refund / (paid), net		(171.78)		(1,024.90)
Net cash generated from in operating activities		**369.59**		**(412.86)**
Cash flows from investing activities				
Purchase of property, plant and equipment and CWIP	(34.48)		(628.81)	
Proceeds from sale of property, plant and equipment	7.37		117.97	
Proceeds from sale of Intangible Assets	(3.25)		-	
Purchase of intangible assets			(1.42)	
Loan to Joint venture	(0.99)		(11.18)	
Movement in other bank balance	(35.52)		15.41	
Movement in term deposits	(0.68)		308.57	
Investment in Mutual funds	(30.00)		-	
Interest Received	53.52		115.05	
Cash flows from investing activities		**(44.03)**		**(84.41)**
Repayment of long-term borrowings	(12.02)		(14.73)	
Net Proceeeds from short -term borrowings	174.53		350.37	
Repayment of short -term borrowings	-		-	
Lease Liability:				
Principal	(16.44)		(14.19)	
Interest	(8.48)		(10.13)	
Dividend & Dividend Distribution tax	(178.23)		(88.97)	
Interest paid	(151.64)		(104.30)	
Net cash used in financing activities		**(192.27)**		**118.06**
Net increase / decrease in cash and cash equivalents		133.29		(379.21)
Cash and cash equivalents at the beginning of the period		358.47		737.69
Cash and cash equivalents at the end of the period		491.76		358.47
		133.28		**(379.22)**

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Statement of Significant Accounting policies and Other Explanatory Notes

1 Corporate Information

Aarvi Encon Limited (the "Company") is a HR Services Company incorporated as Aarvi Encon Private Limited on 03 December 1987 and the registered office is located at 603, B1 Wing, Marathon Innova, Maratrhon Nextgen Complex, Lower Parel (W) Mumbai 400013. The name of the Company has changed to Aarvi Encon Limited pursuant to conversion into a Public Limited company, vide Shareholder's approval on 13 June,2017 and obtained a fresh certificate of incorporation dated 05 July 2017.

2 Significant Accounting Policies

I) Basis of Preparation

The Company is in the process of listing its shares to Main Stock Exchange: The Company undertook an Intial Public issue of equity shares and subsequently got its equity shares listed on the National Stock Exchange, Emerge (SME Segement) with effect from 05 October 2017. The Company has on 04 November 2019, received in principle approval for migration of trading in the equity shares of the company from SME Platform (EMERGE) to Main Board.

Since the Company is in the process of listing its shares in the Main Exchange, therefore Indian Accounting Standards (Ind AS) is applicable to the Company for 2019-20.

These financial statements are Consolidated Financial Statements as per Ind AS 110 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods upto and including the year ended March 31, 2019 the Company prepared its financial statements in accordance with Companies (Accounting Standard) Rules,2006 notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP)."

The year ended March 31, 2020 is the first period for which the Company has prepared its consolidated financial statements in accordance with Ind AS. The previous period comparatives for the period ended March 31, 2019 which were earlier prepared as per the aforesaid Companies (Accounting Standards) Rules, 2016 have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore April 1, 2018 for which the Opening Balance Sheet is prepared.

These consolidated financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

II) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

3 Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2020.

(i) Consolidation Procedure

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full, except as stated below Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(ii) Non-controlling interests in the net assets of consolidated subsidiaries consists of :

a) The amount of equity attributed to non controlling interests at the date on which investment in a subsidiary relationship came into existence;

b) The non-controlling interest share of movement in equity since the date parent subsidiary relationship came into existence;

c) Non-controlling interest share of net profit/(loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group."

(iii) The following entities are considered in the Consolidated Financial Statements listed below:

Sr. No.	Name of the Entity	Principal place of business	Proportion of ownership interest either directly or indirectly	Proportion of ownership interest either directly or indirectly	Proportion of ownership interest either directly or indirectly
			As on March 31, 2020	As on March 31, 2019	As on April 01, 2018
1	**Subsidiary :-**				
	Aarvi Engineering & Consultants Private Limited	India	100%	100%	100%
	Aarvi Encon FZE	UAE	100%	100%	100%
	Aarvi Encon Resources Limited	UK	100%	100%	0%

III) Summary of significant accounting policies

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle

(a) Current and non-current classification

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

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or

- It is held primarily for the purpose of trading or

- It is expected to be realised within twelve months after the reporting period, or

- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or

- It is held primarily for the purpose of trading or

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

(b) Property, Plant and Equipment

i) Property, plant and equipment (PPE) are measured at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of PPE includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of those PPE. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the year the asset is derecognized."

ii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other repairs and maintenance costs are recognised in statement of profit and loss as incurred.

iii) The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Group's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year.

iv) Depreciation on all assets of the Group is charged on wriiten down method over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

v) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and the cost of property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

c) Intrangible Assets

i) Intangible assets are recorded at the consideration paid for cost of acquisition or development less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

ii) Intangible assets under development are capitalized only if the Group is able to establish control over such assets and expects future economic benefit will flow to the Group.

iii) Intangible assets are amortised over their estimated useful life, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

d) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group. Acquisition costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values.

Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in OCI and accumulated in equity as capital reserve.

However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognize any new assets or liabilities.

e) Borrowings

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

f) Impairment of Assets

Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

h) Provisions

The Group recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

i) Fair Value Measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest."

j) Financial Instruments

(i) Financial Assets & Financial Liabilities

Initial recognition and measurement

All financial assets and liabilities are recognised initially at fair value.

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost

- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Explanatory Notes details how the entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial instruments

A financial asset is derecognised only when

* The Group has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(ii) Investments in associates

Investments in associates are carried at cost in the Separate Financial Statements.

k) Revenue Recognition

i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Manpower Services

Revenue from manpower services is accounted at a point in time on accrual basis on performance of the services agreed in the contract with the customers.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period,

where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

Dividends

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

l) Taxes

Tax expenses comprise Current Tax and Deferred Tax.:

i) Current Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred Tax:

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii) MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Group will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

m) Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) Dividend Distribution

Dividend distribution to the Group's equity holders is recognized as a liability in the

Group's annual accounts in the year in which the dividends are approved by the Group's equity holders.

o) Foreign exchange transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss.

p) Employee benefits

Short term employee benefits Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii. Defined benefit plans -Gratuity

In accordance with the applicable Indian laws, the Group provides for gratuity, defined benefit retirement plan ("the Gratuity plan") covering eligible employees. The Gratuity plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. Acturial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Current service cost and the interest cost on obligation related to defined benefit plans are recognised in the statement of profit or loss.

q) Leases

Effective April 1, 2018, the Group adopted Ind AS 116 "Leases" as per para 8, 9 , D9B(a) & D9B(b)(ii) of Ind AS 101 and applied the standard to all lease contracts existing on April 1, 2018 at the date of transition.

The following is the summary of the new and/or revised significant accounting policies related to Leases.

The Group, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Notes to financial statements as at and for the year ended March 31, 2020

(All figures are in Lakhs unless otherwise stated)

4A Property, Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block Asset Class Wise-2019-20

Tangible Assets

Particulars	Office Premises	Plant & Machinery	Electrical Installation	Furtinure & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost								
As at 1st April 2018	695.56	90.26	30.47	119.61	112.95	365.50	195.35	1,609.70
Additions	546.69	23.79	7.30	22.71	7.52	14.01	8.74	630.76
Disposals/Adjustments	109.01	-	-	1.46	-	-	4.11	114.58
As at 31st March 2019	**1,133.25**	**114.04**	**37.77**	**140.86**	**120.47**	**379.52**	**199.99**	**2,125.89**
Additions	-	0.89	-	1.27	3.08	12.72	13.51	31.47
Disposals/Adjustments	-	14.03	-	11.00	68.58	288.06	63.89	445.56
As at 31st March 2020	**1,133.25**	**100.90**	**37.77**	**131.13**	**54.97**	**104.18**	**149.61**	**1,711.80**
Depreciation								
As at 1st April 2018	197.41	45.61	21.91	101.92	106.74	347.84	146.47	967.91
Charge for the Year	22.90	10.88	2.34	5.26	2.33	11.45	17.63	72.79
Disposals	43.29	-	-	0.13	-	-	3.89	47.31
As at 31st March 2019	**177.02**	**56.49**	**24.25**	**107.06**	**109.07**	**359.29**	**160.21**	**993.39**
Charge for the Year	46.55	10.80	3.53	8.70	4.71	14.33	12.88	101.50
Disposals	-	14.03	-	9.27	67.69	286.42	60.78	438.19
As at 31st March 2020	**223.57**	**53.26**	**27.78**	**106.49**	**46.09**	**87.20**	**112.31**	**656.70**
Net Block								
As at 1st April 2018	**498.15**	**44.65**	**8.56**	**17.68**	**6.20**	**17.66**	**48.88**	**641.80**
As at 31st March 2019	**956.22**	**57.56**	**13.52**	**33.80**	**11.40**	**20.22**	**39.78**	**1,132.50**
As at 31st March 2020	**909.67**	**47.65**	**9.99**	**24.64**	**8.88**	**16.97**	**37.30**	**1,055.10**

i) The group has carried out the exercise of assessment of any indications of impairment to its fixed assets as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its fixed assets during the year.

ii) There are no changes proposed to the previously assessed residual useful life of the assets.

4B Right of Use Asset

Particulars	Amount
As at 1st April 2018	102.87
Additions	-
Disposals/Impairment	-
As at 31st March 2019	**102.87**
Additions	-
Disposals/Impairment	-
As at 31st March 2020	**102.87**
Depreciation	
As at 1st April 2018	-
Charge for the Year	21.25
Disposals	
As at 31st March 2019	**21.25**
Charge for the Year	21.31
Disposals	
As at 31st March 2020	**42.56**
Net Block	
As at 31st March 2020	**60.31**
As at 31st March 2019	**81.62**
As at 1st April 2018	**102.87**

Disclosures under IND AS 116 "Leases"

Effective April 1, 2018, the Company adopted Ind AS 116 "Leases" as per para 8, 9 , D9B(a) & D9B(b)(ii) of Ind AS 101 and applied the standard to all lease contracts existing on April 1, 2018 at the date of transition. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs.102.87 lakhs, and a lease liability of Rs.98.42 lakhs. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Accordingly, during the year ended March 31, 2019, Rs. 10.13 Lakhs has been accounted as Finance Cost and Rs. 21.25 Lakhs as Depreciation against the payment liability of Rs.24.31 Lakhs and during the year ended March 31, 2020, Rs. 8.48 Lakhs has been accounted as Finance Cost and Rs. 21.30 Lakhs as Depreciation against the payment liability of Rs.24.92 Lakhs.

The following is the summary of practical expedients elected on initial application

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

4C Intangible Asset

Particular	Software
Cost	
As at 1st April 2018	10.82
Additions	1.42
Disposals/Adjustments	-
As at 31st March 2019	**12.24**
Additions	0.35
Disposals/Adjustments	-
As at 31st March 2020	**12.59**
Depreciation	
As at 1st April 2018	5.98
Charge for the Year	1.46
Disposals	
As at 31st March 2019	**7.44**
Charge for the Year	1.30
Disposals	-
As at 31st March 2020	**8.74**
Net Block	
As at 1st April 2018	**4.84**
As at 31st March 2019	**4.80**
As at 31st March 2020	**3.85**

4D Intangible Under Development

Period	Software under Development
As at April 01,2018	-
For the Period	8.25
Capitalised	-
As at March 31, 2019	**8.25**
For the Period	3.25
Capitalised	-
As at March 31, 2020	**11.50**

(All figures are in Lakhs unless otherwise stated)

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
5	**Goodwill on Consolidation**	20.12	20.12	20.12
		20.12	**20.12**	**20.12**

			As at			As at	
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
6	**Financial Assets**		Non- Current			Current	
6.1	A **Other Investments (At FVTPL)**						
	Mutual Funds	-	-	-	31.63	-	-
	Total	**-**	**-**	**-**	**31.63**	**-**	**-**

	A **Quoted**						
	In Mutual Funds	**No of units**	**Amount**	**No of units**	**Amount**	**No of units**	**Amount**
	Axis Banking & PSU Debt-G	551.47	10.54	-	-	-	-
	IDFC Banking & PSU Debt Reg-G	59,745.72	10.60	-	-	-	-
	IDFC Corporate Bond Reg-G	76,107.56	10.49	-	-	-	-
		136,404.74	**31.63**	**-**	**-**	**-**	**-**

			As at			As at	
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
			Non- Current			Current	
6.2	**Trade Receivables**						
	(Unsecured at Amortised Cost)						
	i) Considered good	-	-	-	5,802.75	4,874.87	4,062.62
	ii) Considered doubtful	-	-	-	138.01	90.20	42.22
	Less : Expected credit Loss	-	-	-	(138.01)	(90.20)	(42.22)
		-	**-**	**-**	**5,802.75**	**4,874.87**	**4,062.62**

A Expected Credit Loss:

Trade receivables and unbilled revenue are unsecured and are derived from revenue earned from customers primarily located in India. Periodically, the Group evaluates all customer dues to the Group for collectability. The need for impariment is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customers operates, general economic factors, which could affect the customer's ability to settle. More than 95% of the Group's customers have been transacting with the Group for over five years and none of these customers' balance are credit impaired. An impairment analysis is performed at each reporting date on invoice wise receivable balances. The Life time credit loss write off during the year arises more out of the disputes or charges rather than credit impairment.

Since the Group Calculates impairment under the simplified approach the Group does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

Movement in the expected credit loss allowance

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the period	90.20	42.22
Impairment loss recognised	47.80	47.98
Amount written off during the period	-	-
Provision at the end of the period	**138.01**	**90.20**

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
6.3	**Loans and Advances**						
	(Unsecured Considered goods)						
i)	Rent Deposits	14.37	13.40	12.50	15.42	19.85	16.62
ii)	Earnest Money Deposits	32.18	51.39	21.40	-	-	9.10
iii)	Other Security Deposits	1.94	3.21	4.91	-	0.10	21.44
iv)	Loans to others	182.77	116.96	45.65	12.17	11.18	-
		231.26	**184.96**	**84.46**	**27.59**	**31.13**	**47.16**

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
6.4	**Cash and Bank Balances**						
A	Cash and cash equivalents						
i)	Balances with banks	-	-	-	489.82	356.78	230.55
ii)	Cash on hand	-	-	-	1.94	1.69	1.67
iii)	Cheques in hand	-	-	-	-	-	5.48
iv)	Fixed Deposits with Bank				-	-	500.00
		-	-	-	491.76	358.47	737.69
B	Other Bank Balances						
i)	In Earmarked Accounts (*)	-	-	-	-	2.98	29.51
ii)	Term Deposits with Banks (**)	-	-	-	155.90	117.40	106.28
	Total	**-**	**-**	**-**	**155.90**	**120.38**	**135.79**

(*) These are held as margin money or security against borrowings,guarantees and other commitments

(**) These are lien and/or pledged against short term credit facilities with banks

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
6.5	**Others**						
	Unsecured Considered Good						
	i) Contract Asset						
	- Security Deposit and Retentions	395.72	393.33	223.09	-	1.88	4.14
	- Unbilled Revenue	-	-	-	334.92	369.00	41.24
	ii) Reimbursement Right for Gratuity-Contract Staff	102.51	256.53	249.13	88.44	13.72	8.53
	iii) Interest Accrued On Deposits	-	-	-	27.15	24.54	70.48
	iv) Term Deposits with Banks	415.20	414.53	723.09	-	-	-
	v) Other Receivables	-	-	-	9.87	5.74	15.32
		913.43	**1,064.39**	**1,195.32**	**460.38**	**414.88**	**139.71**

7 Deferred Tax Asset

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
a)	**Deferred Tax Asset on account of :**			
	i) Depreciation due to timing difference	0.95	0.75	-
	ii) Unabsorbed depreciation	0.16	0.30	0.65
	iii) Business Loss	15.07	15.22	13.63
		16.18	**16.27**	**14.27**

		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
8	**Other Assets**						
	i) Capital Advances	59.25	59.05	69.25	-	-	-
	ii) Prepaid Expenses	-	-	0.07	72.38	74.17	42.42
	iii) Prepaid Taxes (Net of Provision of Tax)	2,346.37	2,158.23	1,268.81	-	-	-
	iv) Advance to suppliers	-	-	-	8.74	15.13	3.34
	v) Balances with Tax Authorities	-	-	-	10.59	2.20	0.24
	vi) Staff Advances	-	-	-	21.96	13.66	23.33
	Total	**2,405.61**	**2,217.28**	**1,338.12**	**113.67**	**105.15**	**69.32**

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
9	**Equity Share capital**			
i)	**Authorised shares :**			
	March 31, 2020: 2,00,00,000 Equity shares of Rs 10/- each (Increased by way of postal ballot on 14th Oct, 2019) March 31, 2019 : 1,50,00,000 Equity shares of Rs 10/- each April 1, 2018 : 1,50,00,000 Equity shares of Rs 10/- each	2,000.00	1,500.00	1,500.00
	Total	**2,000.00**	**1,500.00**	**1,500.00**

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
ii)	**Issued and subscribed and Paid-up shares :**			
	March 31, 2020: 1,47,84,000 Equity shares of Rs 10/- each March 31, 2019 : 1,47,84,000 Equity Shares of Rs. 10/- each April 1, 2018 : 1,47,84,000 Equity Shares of Rs. 10/- each	1,478.40	1,478.40	1,478.40
	Total	**1,478.40**	**1,478.40**	**1,478.40**
	Total paid-up share capital	**1,478.40**	**1,478.40**	**1,478.40**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at					
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	April 1, 2018	April 1, 2018
	Number	Amount	Number	Amount	Number	Amount
Balance, beginning of the period	14,784,000	1,478.40	14,784,000	1,478.40	14,784,000	1,478.40
Issued during the period	-	-	-	-	-	-
Balance, end of the period	**14,784,000**	**1,478.40**	**14,784,000**	**1,478.40**	**14,784,000**	**1,478.40**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As at					
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	April 1, 2018	April 1, 2018
	Number	%	Number	%	Number	%
Equity Shares						
Mr. Virendra Dalpatram Sanghavi	4,340,000	29.36%	4,340,000	29.36%	4,340,000	29.36%
Mrs. Niranjana Virendra Sanghavi	3,255,000	22.02%	3,255,000	22.02%	3,255,000	22.02%
Mr. Jaydev Virendra Sanghavi	2,170,000	14.68%	2,170,000	14.68%	2,170,000	14.68%
	9,765,000.00	**66.05%**	**9,765,000**	**66.05%**	**9,765,000**	**66.05%**

d) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

e) (i) Pursuant to the resolution passed by the Shareholders of the Company in the Extra Ordinary General Meeting of the Company held on April 28, 2017, each existing Equity Share of the Company having face value of Rs. 100/- (Rupees Hundered) each has got sub-divided into 10 (Ten) Equity Shares having face value of Rs. 10/- (Rupees Ten) each fully paid up.

(ii) The Company has issued and allotted 77,50,000 equity shares of Rs. 10/- each to the eligible holders of equity shares as per the Board resolution dated July 17, 2017 by capitalizing reserves. The basis of issue is five (5) shares for every two (2) shares held.

(iii) The Company has issued and allotted 39,34,000 equity shares of Rs. 10/- each at a premium of Rs. 44/- per share as per Board resolution dated September 29, 2017.

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
10	**Other Equity**			
i)	Retained Earnings	3,987.40	3,450.01	2,680.67
ii)	Securities Premium Account	1,492.29	1,492.29	1,491.99
iii)	General Reserve	567.37	567.37	567.37
iv)	Other Comprehensive Income	106.96	29.86	(4.39)
		6,154.02	5,539.53	4,735.64

11 Financial Liabilities (at amortized cost)

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
11.1	**Long term borrowings**						
(i)	**Loan from Non Banking Financial Institutions**						
	Vehicle Loan	1.11	10.55	20.20	9.44	12.63	14.39
	Working Capital Loan	-	-	-	-	-	3.73
	Less: Shown under other financial liabilities (Refer Note 10.5)	-	-	-	(9.44)	(12.63)	(18.12)
(ii)	**Loan from others**	7.27	6.67	6.24	-	-	-
		8.38	**17.21**	**26.45**	**-**	**-**	**-**
	The break-up of above:						
	Secured	8.38	17.21	26.45	9.44	12.63	14.39
	Unsecured	**-**	**-**	**-**	**-**	**-**	**3.73**

Security for loans and Terms of payment

In respect of Vehicle Loans

Vehicle loan is secured by hypothecation of Motor Vehicle purchased with the loan amount. It is repayable in 84 equated monthly instalments of Rs 48,200/- each (including interest), commencing from November, 2013 onwards.

Vehicle loan is secured by hypothecation of Motor Vehicle purchased with the loan amount. It is repayable in 35 equated monthly instalments of Rs 16,385/- each (including interest), commencing from May, 2017 onwards.

In respect of Overdraft and Working Capital demand loan

a. First Pari Passu charge on Current Assets

b. Pari Passu charge on property located at - Office No. 901, Ninth Floor, Building “B2”, Marathon Nextgen Innova, G.K. Road, Opposite Peninsula Corporate Park, Lower Parel (W), Mumbai - 400013.

c. Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi and Mrs Niranjana Sanghavi.

	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Maturity Profile of Borrowings			
Installment payable within one year	9.44	12.63	15.15
Installment payable between 2 to 5 years	1.11	10.55	23.17
Installment payable beyond 5 years	7.27	6.67	6.24
Total	**17.82**	**29.84**	**44.57**

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
11.2	**Lease Liaility-ROU Assets**	**Non- Current**			**Current**		
i)	Lease Liability	46.23	67.80	84.24	21.57	16.44	14.19
			-	-	-	-	
	Total	**46.23**	**67.80**	**84.24**	**21.57**	**16.44**	**14.19**

I Disclosure in accordance with Ind AS - 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015

(a) Movement in Lease Liabilities

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Balance at the beginning	84.24	98.42	98.42
Addition during the year	-	-	-
Interest on lease liabilities	8.48	10.13	-
Lease Payments	24.92	24.31	-
Closing	**67.80**	**84.24**	**98.42**

(b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability on an undiscounted basis.

Ageing	March 31, 2020	March 31, 2019	April 1, 2018
Within One year	27.96	24.92	24.31
Two to Five years	51.26	79.22	104.14
More than Five years	-	-	-
Total	**79.22**	**104.14**	**128.45**

(c) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

				As at
		March 31, 2020	March 31, 2019	April 1, 2018
11.3	**Short Term Borrowings (at amortised cost)**			
	(Secured)			
	Cash Credit Facility	874.10	699.57	349.19
	Total	**874.10**	**699.57**	**349.19**

Security for loans and Terms of payment

In respect of Cash Credit from Yes Bank

a. Pari Passu charge on hypothecation charge on Current Assets and all movable fixed assets.

b. Equitable mortgage of commercial properties located at Shah & Nahar Industrial Estate, Lower Parel (Mumbai), Jetalpur (Baroda), and Marathon Nextgen Realty Limited, Lower Parel (Mumbai).

c. Unconditional and Irrevocable Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi and Mrs Niranjana Sanghavi.

d. Rs. 73,50,000/- in the form of fixed deposit receipt placed under bank lien.

In respect of Cash Credit and Working Capital demand loan from Citi Bank

a. First Pari Passu charge on present and future stocks, book debts and movable fixed assets.

b. Pari Passu charge on property located at - Shah & Nahar Industrial Estate, Lower Parel (Mumbai), Jetalpur (Baroda), Marathon Nextgen Realty Limited, Lower Parel (Mumbai) and Flat No 11 & 11A, Building O, 4th Floor, Konark Campus Co-operative Housing Society, Lohegaon Village, Taluka Haveli, Pune.

c. Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi and Mrs Niranjana Sanghavi.

d. Pledged fixed deposits amounting to INR 30,00,000/-.

				As at
		March 31, 2020	**March 31, 2019**	**April 1, 2018**
11.4	**Trade Payables (at amortised cost)**			
i)	Trade payables - Micro, small and medium enterprises	-	-	-
ii)	Trade payables - Others	949.36	417.17	151.66
	Total	**949.36**	**417.17**	**151.66**

a) Amounts due to Micro, Small and Medium Enterprises

As per the information available with the Group, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

		As at			As at		
		March 31, 2020	**March 31, 2019**	**April 1, 2018**	**March 31, 2020**	**March 31, 2019**	**April 1, 2018**
		Non- Current			**Current**		
11.5	**Other Financial Liabilities (At Amortised Cost)**						
i)	Current Maturities of Long term Borrowings	-	-	-	9.44	12.63	18.12
ii)	Advance from Customers	-	-	-	-	-	3.56
iii)	Employee Liabilities	-	-	-	1,304.75	1,372.72	778.02
iv)	Employee Benefit Liability-Contract Staff	102.51	256.53	249.13	88.44	13.72	8.53
v)	Others	-	-	-	2.03	5.42	5.82
		102.51	**256.53**	**249.13**	**1,404.66**	**1,404.49**	**814.06**

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
12 Deferred Tax Liability				
a)	**Deferred Tax Liability on account of :**			
i)	Depreciation due to timing difference	51.12	38.61	16.64
b)	**Deferred Tax Asset on account of :**			
i)	Employee Benefits	18.66	1.39	1.87
ii)	Right of Use Asset	2.08	0.73	-
		30.38	**36.50**	**14.78**

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
13 Other Liabilities							
i)	Duties and Taxes payable	-	-	-	718.17	701.44	668.29
	Total	**-**	**-**	**-**	**718.17**	**701.44**	**668.29**

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
14 Provisions							
i)	Provision for Employee Benefits						
	Provision for Gratuity	2.47	-	-	10.82	-	2.28
		2.47	**-**	**-**	**10.82**	**-**	**2.28**

a) Disclosure in accorance with Ind AS – 19 “Employee Benefits”, of the Companies (Indian Accounting Standards) Rules, 2015.

The Group has carried out the actuarial valuation of Gratuity liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs 20 lacs The Company’s gratuity liability is Funded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year for Core Staff is as follow:

Particulars		As on March 31, 2020	As on March 31, 2019
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	69.28	53.13
	Current Service Cost	10.25	9.03
	Interest Cost	5.13	4.01
	Actuarial (Gain) /Loss-Other Comprehensive Income	(0.14)	4.06
	Benefits paid	(1.32)	(0.95)
	Defined Benefit obligation at the year end	**83.19**	**69.28**

Particulars		As on March 31, 2020	As on March 31, 2019
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	69.28	-
	Expected return on Plan Assets	(2.33)	(0.92)
	Interest Income	4.28	3.95
	Employer Contribution	-	67.20
	Benefits Paid	(1.32)	(0.95)
	Fair Value of Plan Assets at the year end	-	-
	Actual Return on Plan Assets	**69.90**	**69.28**
(c)	**Reconciliation of fair value of assets and obligations**		
	Fair Value of Plan Assets	69.90	69.28
	Present value of Defined Benefit obligation	83.19	69.28
	Liability recognized in Balance Sheet	**13.29**	**-**
(d)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	Current Service Cost	10.25	9.03
	Interest Cost	5.13	4.01
	Expected Rate of return on Plan Assets	(2.33)	(0.92)
	Net Cost	**13.04**	**12.12**
(e)	**Actuarial (Gain)/Loss- Other Comprehensive Income**	**2.19**	**4.98**
(f)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	10.82	-
	Short-term provisions	2.47	-
		13.29	-
ii)	**Actuarial Assumptions**		
	Discount rate (per annum)	6.90%	7.65%
	Rate of escalation in salary (per annum)	7.00%	7.00%
	Attrition Rate		
	Younger Age	50%	10.00%
	Older Age	5%	2.00%
	Rate of return on plan assets (per annum)	**6.90%**	**7.65%**

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the Group fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption			
March 31, 2020	0.50%	0.50%	10.00%
March 31, 2019	0.50%	0.50%	10.00%
Increase in assumption			
March 31, 2020	(80.47)	85.64	83.20
March 31, 2019	(66.01)	72.14	69.61
Decrease in assumption			
March 31, 2020	86.09	(80.83)	(83.16)
March 31, 2019	72.82	(66.42)	(68.92)

(iv) Acturial Risk:

A Actuarial Risk

It is the risk that benefits will cost more than expected.This can arise due to one of thefollowing reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability.In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Groupthere can be strain on the cashflows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money.An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation.The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees.This will directly affect the present value of the Defined Benefit Obligation and the samewill have to be recognized immediately in the year when any such amendment is effective.

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
15	**Current Tax Liabilities (Net)**			
a)	**Provision for Tax (Net of Taxes Paid)**	-	-	5.79
		-	**-**	**5.79**

		Year Ended March 2020	Year Ended March 2019
16	**Revenue from Operations**		
i)	Revenue from Manpower Services		
	Supply of Manpower and Consultancy Fees	19,023.32	19,092.93
	Fees for Business Consultancy	2,683.24	1,410.29
	Fees for Placement Services	0.40	-
ii)	Other Operating Revenue	98.08	100.58
		21,805.04	**20,603.80**

I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Serivce Type and Customer type:

(i) Revenue disaggregation by type of Service is as follows:

Major Service Type	**2019-20**	**2018-19**
Manpower Supply and Consultancy Fees	19,023.32	19,092.93
Fees for Business Consultancy	2,683.24	1,410.29
Fees for Placement Services	0.40	-
Reimbursement Income for Services Provided	98.08	100.58
	21,805.04	**20,603.80**

(ii) Revenue disaggregation by Customer Type is as follows:

Customer Type	**2019-20**	**2018-19**
Government Companies	5,468.87	4,745.14
Non Government Companies	16,336.16	15,858.66
	21,805.04	**20,603.80**

(iii) Movement in Contract Balances

Particulars	**Opening**	**Billed for the Financial Year**	**Addition during the year**	**Closing**
Advance from Customers				
March 2020	-	-	-	-
March 2019	3.56	3.56	-	-
Unbilled Revenue				
March 2020	369.00	369.00	334.92	334.91
March 2019	41.24	41.24	369.00	369.00

(v) Performance Obligation

Performance obligation is satisfied on rendering of services and as agreed in the contract with the customers. The payment is generally due within 0-30 days.

		Year Ended March 2020	Year Ended March 2019
17	**Other Income**		
i)	Interest Income on Financial Assets at FVTPL	1.63	-
ii)	Interest Income on Fixed Deposits	50.21	50.60
iii)	Interest Income on Loans and Advances	0.43	2.11
iv)	Profit on Sale of Property,Plant and Equipment	1.84	50.70
v)	Reversal of Provision for Expected Credit Loss	-	-
vi)	Interest Income on Financial Assets at amortised cost	0.97	0.90
vii)	Interest Income on Income Tax Refund	4.52	15.50
viii)	Sundry Balance written Back	0.32	0.98
ix)	Foreign Exchange Gain	-	0.45
		59.92	**121.25**
18	**Employee Benefit Expenses**		
i)	Salaries & Wages, Bonus, Perquisites, etc	13,371.69	13,180.00
ii)	Contribution to Provident,Gratuity funds	838.82	760.62
iii)	Managerial Remuneration	336.00	336.00
iii)	Staff Welfare	29.35	28.07
		14,575.86	**14,304.69**
19	**Finance Cost**		
i)	Interest Expense on Lease Liability	8.48	10.13
ii)	Interest on Borrowings	150.55	103.45
iii)	Interest on Income Tax	-	0.08
iv)	Interest on Indirect Taxes	1.09	0.77
		160.12	**114.43**
20	**Depreciation and Amortization**		
i)	Depreciation on Property, Plant & Equipment	102.80	74.25
ii)	Depreciation on Right of Use Assets	21.31	21.25
	Total	**124.11**	**95.50**
21	**Other expenses**		
	Assets Scrapped	4.30	-
	Remuneration to Auditor	12.35	11.83
	Remnuration to Component Auditors	0.59	0.37
	Directors Remuneration	2.70	2.80
	Travelling Expenses	585.39	499.80
	Expected Credit Loss	47.80	47.98
	Site related Expenses	96.06	296.45
	Professional Fees - Project	4,259.40	3,032.96
	Rates and Taxes	5.16	2.64
	Power and Fuel	33.38	46.44

		Year Ended March 2020	Year Ended March 2019
	Rent	132.66	196.98
	Membership & Subscription	18.85	7.48
	Health and Safety Expenses	91.27	99.41
	Housekeeping Expenses	5.23	7.25
	Insurance Charges	104.38	82.19
	Advertisement Expenses	25.69	27.10
	Donation	2.81	2.22
	Exchange loss	1.89	-
	Motor Car Expenses	3.51	5.49
	Food and Accomodation Expenses	479.45	553.62
	Printing and Stationery Expenses	14.88	12.02
	Legal & Professional Charges	86.99	61.78
	Business Promotion Expenses	6.19	12.90
	Telephone Charges	25.41	30.11
	Bank Charges	24.65	31.14
	Corporate Social Responsibility Expenses	13.45	10.45
	Water Charges	7.40	13.49
	Repairs and Maintenance Expenses	8.19	4.71
	Office Maintenance Expenses	19.77	30.40
	Other Expenses (None of which individually forms more than 1% of the Operating Revenue)	189.66	67.73
	Total	**6,309.45**	**5,197.73**
a)	**Payment to auditors**		
	Audit fee	8.45	8.35
	Tax Audit	2.00	2.00
	Tax Matters	1.90	1.48
	Total payments to auditors	**12.35**	**11.83**
b)	**Payment to Component auditors**		
	Audit fee	0.59	0.37
	Tax Audit		
	Tax Matters		
	Total payments to Component auditors	**0.59**	**0.37**
22	**Tax Expense**		
a)	Income tax expense in the statement of profit and loss consists of:		
	Current Tax	64.20	122.00
	Short/Excess Provision of Tax	(36.96)	7.68
	Minimum alternative tax entitlement	(43.59)	
	Deferred Tax	(6.02)	19.72
	Income tax recognised in statement of profit or loss	(22.38)	149.40

		Year Ended March 2020	Year Ended March 2019
b)	The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows :		
A	**Current Tax**		
	Accounting Profit Before Income Tax	695.42	1,012.70
	Less : Non taxable profit or Loss of Subsidiaries	339.32	271.76
	Taxable Profit or loss	356.10	740.93
	Enacted tax rates in India (%)	27.820%	27.553%
	Computed expected tax expenses	99.07	204.14
	Effect of non- deductible expenses	85.55	55.84
	Effects of deductable Expenses	(164.01)	(137.98)
	Income tax expenses - Net	20.60	122.00
	Tax liability as per Minimum Alternate Tax on book profits		
	Minimum Alternate Tax rate	16.69%	20.59%
	Computed tax liability on book profits	59.44	152.53
	Tax effect on adjustments:		
	1/5 portion of Opening IND AS Reserve as on April 1, 2018	(3.22)	
	Effect of non deductible expense	7.97	6.48
	Differential MAT Provided in Subsequent year	-	(37.01)
	Minimum Alternate Tax on Book Profit	64.20	122.00
	Higher of A or B	**64.20**	**122.00**

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recog-nised in P&L	Recog-nised in OCI	Closing
As at April 01, 2018	**14.78**	**-**	**-**	**14.78**
Property, Plant and Equipment	16.64	21.97	-	38.61
Employee benefits	(1.87)	0.48	-	(1.39)
Right of Use Asset	-	(0.73)		(0.73)
As at March 31, 2019	**14.78**	**21.72**	**-**	**36.50**
Property, Plant and Equipment	38.61	12.51	-	51.12
Employee benefits	(1.39)	(17.27)	-	(18.66)
Right of Use Asset	(0.73)	(1.35)	-	(2.08)
As at March 31, 2020	**36.50**	**(6.11)**	**-**	**30.38**

23 Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	Year Ended March 2020	Year Ended March 2019
Net profit attributable to owners of the Holding Company	717.80	863.29
Outstanding equity shares at period end - Nos	14,784,000	14,784,000
Weighted average Number of Shares outstanding during the period – Basic	14,784,000	14,784,000
Weighted average Number of Shares outstanding during the period - Diluted	14,784,000	14,784,000
Earnings per Share - Basic (Rs.)	4.86	5.84
Earnings per Share - Diluted (Rs.)	4.86	5.84

Reconciliation of weighted number of outstanding during the period:

Particulars	Year Ended March 2020	Year Ended March 2019
Nominal Value of Equity Shares (Rs per share)	10	10
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	14,784,000	14,784,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	**14,784,000**	**14,784,000**
Weighted average number of equity shares at the end of the period	**14,784,000**	**14,784,000**
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	14,784,000	14,784,000
Weighted average number of equity shares used in calculating diluted EPS	14,784,000	14,784,000

24 Contingent Liabilities

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Bank Guarantees	318.14	248.83	554.74
Total	**318.14**	**248.83**	**554.74**

25 Commitments

Particulars	March 31, 2020	March 31, 2019	April 01, 2018
Capital Commitments:			
Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)	-	6.20	526
Total	**-**	**6.20**	**526.20**

26 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance In accordance with IND AS "Operating Segment", The Group has only one reportable operating segment i.e. Manpower Supply and Consultancy Services.

Additional disclosure required as per Ind AS 108

Particulars	March 31, 2020	March 31, 2019
Revenue from geographical segment		
-Within India	19,121.80	19,193.51
-Outside India - UAE	2,683.24	1,410.29
Total	**21,805.04**	**20,603.80**

a) The non-current assets attributable to any particular geographical segment is not material for disclosure.

b) Major Customers

The top 1 customer accounts for 16 % of the total revenue earned during the year ended March 31,2020. (March 31,2019:Top 1 customer accounted for 21% of the total revenue earned).

27 Disclosure of Business Combination as per Ind AS 103

I There are no new acquisions taken place during the year ended March 31, 2020.

II Acquisition during the year ended March 31, 2019

Backgroud of transaction

The Group has initially established a foreign Company i.e Aarvi Encon Resources Ltd at UK in the name of Jaydev V. Sanghavi, Executive Director of the Company. Thereafter the Company has acquired 100% equity stake from Jaydev Sanghavi to make UK Entity a wholly owned subsidiary of the Company on December 21,2018. The said foreign Company was set up to enhance the business of the Company at International level.

Goodwill

As there is no excess of fair value of assets and liabilities over the purchase consideration, no Goodwill has been recognized in this business combinations.

28 Disclosure of interest in other entities as per Ind AS 112

I Consolidated financial statements comprises the financial statements of Aarvi Encon Limited, its subsidiaries as listed below:

S. No.	Name of Entity	Principal place of business	Principal Activities	Proportion of ownership (%) as at March 31, 2020	Proportion of ownership (%) as at March 31, 2019	Proportion of ownership (%) as at April 1, 2018
(i)	**Subsidiary companies**					
1	Aarvi Engineering & Consultants Private Limited	India	Manpower and Consultancy Service	100.00	100.00	100.00
2	Aarvi Encon FZE	UAE		100.00	100.00	100.00
3	Aarvi Encon Resources Limited - UK	UK		100.00	100.00	-

II The entity does not have any subsidiaries that have non controlling interests.

29 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Name of the related parties and related party relationships

A List of related parties

i Key Management Personnel

Mr. Virendra Sanghavi, Managing Director

Mr. Jaydev Sanghavi, Executive Director & CFO

Mr. Jay Shah, Company Secretary

ii Entities significantly influenced or controlled by Key Management Personnel or their relatives

Eneryjobz Services Private Limited

Aarvi Encon Employees Group Gratuity Fund

iii Relatives of Key Management Personnel

Mrs. Niranjana V. Sanghavi (wife of Managing Director)

Mr. Ninad Kulkarni (son in law of Managing Director)

Mrs. Naini Kulkarni, Proprietor of M/s Aarvi IT Services (daughter of Managing Director)

Mrs. Ami J. Sanghavi (wife of Executive Director)

Mr. Aditya J. Sanghavi (son of Executive Director)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Remuneration to Key Management Personnels (KMP)				
Mr. Virendra Sanghavi	-	168.00	-	168.00
	-	(168.00)	-	(168.00)
Mr. Jaydev Sanghavi	-	168.00	-	168.00
	-	(168.00)	-	(168.00)
Mr. Jay Shah	-	4.61	-	4.61
	-	(4.20)	-	(4.20)
Rent				
Mrs. Niranjana V Sanghavi	-	-	13.20	13.20
	-	-	(14.40)	(14.40)
Salaries and wages				
Mrs. Naini N. Kulkarni	-	-	22.75	22.75
	-	-	(16.25)	(16.25)
Mrs. Ami J. Sanghavi	-	-	7.80	7.80
	-	-	(5.85)	(5.85)
Director sitting fees				
Mrs Niranjana V Sanghavi	-	-	0.20	0.20
	-	-	(0.60)	(0.60)
Mr. Devendra J Shrimanker, Independent Director	-	0.95		0.95
		(0.80)		(0.80)
Mrs. Sonal N Doshi, Independent Director	-	0.75		0.75
		(0.60)		(0.60)
Mrs. Padma V Devarajan, Independent Director	-	0.80		0.80
		(0.80)		(0.80)
Dividend paid				
Mr. Virendra Sanghavi	-	43.40	-	43.40
	-	(21.70)	-	(21.70)
Mrs. Niranjana V Sanghavi	-	-	32.55	32.55
	-	-	(16.28)	(16.28)
Mr. Jaydev Sanghavi	-	21.70	-	21.70
	-	(10.85)	-	(10.85)
Mrs. Ami Jaydev Sanghavi	-	-	2.71	2.71
	-	-	(1.36)	(1.36)
Mr. Aditya Jaydev Sanghavi	-	-	1.63	1.63
			(0.81)	(0.81)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Mrs. Naini Ninad Kulkarni			5.43	5.43
			(2.71)	(2.71)
Mr. Ninad V. Kulkarni			1.09	1.09
			(0.54)	(0.54)
Rent Deposit				
Mrs. Niranjana V Sanghavi	-	-	0.70	0.70
	-	-	(0.70)	(0.70)
Outstanding				
Mr. Virendra Sanghavi	-	58.87	-	58.87
	-	(67.38)	-	(67.38)
Mr. Jaydev Sanghavi	-	85.90	-	85.90
	-	(90.41)	-	(90.41)
Mrs. Niranjana V Sanghavi	-	-	-	-
	-	-	(1.64)	(1.64)
Mrs. Naini N. Kulkarni	-	-	1.68	1.68
	-	-	(1.26)	(1.26)
Mrs. Ami J. Sanghavi	-	-	0.58	0.58
	-	-	(0.39)	(0.39)

Figures above do not include IND AS Adjustments

Reimbursement of Expenses is not reported above

(Previous years figures are in bracket)

* The managerial personnel are eligible for retirement benefits viz., gratuity and compensated absences in accordance with the policy of the Company. The proportionate retirement benefit expense pertaining to the managerial personnel has not been included in the aforementioned disclosures as this is provided in the books of account on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined

All transactions with these related parties are priced on an arm's length basis. None of the balance is secured.

30 Corporate Social Responsibility

For 2019-20

a Gross amount required to be spent by the Group during the year : Rs. 14.15 Lacs

b Amount spent by the Group during the year is as follows ;

Activity	Paid in Cash	Yet to be Paid in Cash	Total
1. Eradicating hunger, poverty and malnutrition, [''promoting health care including preventinve health care''] and promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. 2. Rural development projects, Disaster management, including relief, rehabilitation and reconstruction activities. 3. Contribution to the prime minister's national relief fund or any other fund set up by the central govt. or state govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	13.45	-	13.45
Total	**13.45**	**-**	**13.45**

For 2018-19

a Gross amount required to be spent by the Group during the year : Rs. 10.97 lakhs.

b Amount spent by the Group during the year is as follows ;

Activity	Paid in Cash	Yet to be Paid in Cash	Total
1. Eradicating hunger, poverty and malnutrition, [“promoting health care including preventinve health care”] and promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. 2. Rural development projects, Disaster management, including relief, rehabilitation and reconstruction activities. 3. Contribution to the prime minister’s national relief fund or any other fund set up by the central govt. or state govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	10.97	-	10.97
Total	**10.97**	**-**	**10.97**

31 Derivative Instruments and Unhedged Foreign Currency Exposure

(i) There are no derivative instruments outstanding as at March 31, 2020 and March 31, 2019 and April 01,2018 .

(ii) Unhedged foreign currency exposure towards receivables outstanding as at March 31, 2020 ,March 31, 2019 and April 01,2018 is as under:

Particulars	As at					
	March 31,2020		March 31,2019		April 01,2018	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables						
a) USD			0.06	4.05	0.03	2.19

32 Significant accounting judgements, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping disclosures, and the disclosures of contingent liabilities. Uncertainity about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

33 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2020, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Group prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020 together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2018, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its previous GAAP financial statements, including the Other Equity as at April 1, 2018 and March 31, 2019 and changes in Profit and Loss for the year 2018-19 is given in Statement 1.

34 Exemptions Applied

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date. The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

35 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2020, March 31, 2019 and April 1, 2018 is as follows:

		Carrying Value			Fair Value		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
a)	**Financial Assets**						
	Amortised Cost						
	Trade Receivable	5,802.75	4,874.87	4,062.62	5,802.75	4,874.87	4,062.62
	Loans and Advances	258.85	216.09	131.62	258.85	216.09	131.62
	Cash and cash equivalents	491.76	358.47	737.69	491.76	358.47	737.69
	Other Bank balances	155.90	120.38	135.79	155.90	120.38	135.79
	Other	1,373.81	1,479.26	1,335.03	1,373.81	1,479.26	1,335.03
	Total Financial Assets	**8,083.07**	**7,049.07**	**6,402.75**	**8,083.07**	**7,049.07**	**6,402.75**
b)	**Financial Liabilities**						
	Amortised Cost						
	Borrowings	891.92	729.41	393.76	891.92	729.41	393.76
	Trade payables	949.36	417.17	151.66	949.36	417.17	151.66
	Others	1,497.73	1,648.40	1,045.07	1,497.73	1,648.40	1,045.07
	Total Financial Liabilities	**3,339.01**	**2,794.97**	**1,590.49**	**3,339.01**	**2,794.97**	**1,590.49**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

36 Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2020, March 31, 2019 and April 1, 2018.

Particulars	Fair Value measurement using			
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-20	31.63	-	-
Total financial assets		31.63	-	-
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-19	-	-	-
Total financial assets		-	-	-
Financial assets measured at fair value				
Mutual funds - Growth plan	1-Apr-20	-	-	-
Total financial assets		**-**	**-**	**-**

37 Financial risk factors

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables, investments and other financial instruments.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities.

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risks include trade receivable and trade payable.

i. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

ii. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group does not have significant foreign currency exposure and hence is not exposed to any significant foreign currency risks.

The Working Capital Position of the Group is given below:

	March 31, 2020	March 31, 2019
Current Assets		
Investment	31.63	-
Trade receivable	5,802.75	4,874.87
Cash and Cash Equivalent	491.76	358.47
Bank Balance	155.90	120.38
Loans and Advances	27.59	31.13
Other Financial Asset	460.38	414.88
Other Current Assets	113.67	105.15
Total	**7,083.69**	**5,904.88**
Less:		
Current Liabilities		
Borrowings	883.54	712.19
Lease Liability	21.57	16.44
Trade Payables	949.36	417.17
Others	2,113.39	2,093.31
Total	**3,967.86**	**3,239.11**
Net Working Capital	**3,115.83**	**2,665.77**

The table below provides details regarding the contractual maturities of significant financial liabilities :

	Less than 1 year	2-5 years	Total
As at March 31, 2020			
Borrowings	874.10	8.38	882.48
Trade Payables	949.36	-	949.36
Other Financial Liabilities	1,404.66	102.51	1,507.17
Total	**3,228.12**	**110.89**	**3,339.01**
As at March 31, 2019			
Borrowings	712.19	17.21	729.41
Trade Payables	417.17	-	417.17
Other Financial Liabilities	1,391.87	256.53	1,648.40
Total	**2,521.23**	**273.74**	**2,794.97**
As at April 01, 2018			
Borrowings	367.32	26.45	393.76
Trade Payables	151.66	-	151.66
Other Financial Liabilities	795.93	249.13	1,045.07
Total	**1,314.91**	**275.58**	**1,590.49**

38 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, short term borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Gross Debt	882.48	729.41	393.76
Less:			
Cash and Cash Equivalent	491.76	358.47	737.69
Other Bank Balances	155.90	120.38	135.79
Net debt (A)	234.82	250.55	(479.72)
Total Equity (B)	**7,632.42**	**7,017.93**	**6,214.04**
Gearing ratio (A/B)	**0.03**	**0.04**	**(0.08)**

39 Utilization of IPO Proceeds as under:

Sr. No.	Particulars	As per the Prospectus dated September 14, 2017	Actual Utilization of Issue Proceeds till date	Unutilized Issue Proceeds till date	Deviation, if any
1	Working Capital Requirements	1,078.00	1,885.39	-	(807.39)
2	Acquisitions and Other Strategic Initiatives	400.00	-	-	400.00
3	General Corporate Purposes	415.00	-	-	415.00
4	Issue Expenses	231.36	238.97	-	(7.61)

* The Board has passed a circular resolution on October 25, 2019 to vary the terms and condition of the prospectus dated September 14, 2017 for utilization of issue proceeds for working capital instead of Acquisition and other stretegic initiatives .The Shareholder have duly approved the same by way of postal ballot on November 30, 2019.

40 Impact of Covid 19 on the Business of the Company.

Sr No	Particulars	Impact
1	Impact of the COVID- 19 pandemic on the business	The Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 25, 2020 extended up to June 30, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the business of the Company.
2	Ability to maintain operations including the office spaces functioning and closed down	The Company allowed employees to work from home and thereby the Company has been able to maintain it operations in order to comply with duly applicable legal framework.
3	Schedule , if any of restarting the operations of the Company	The Company is following Government Directives regarding health and safety of employees and has encouraged to practice work from home until the situation is stabilized.
4	Steps taken to ensure smooth functioning of Operations	The Company has provided all necessary access to its employees to work from home to continue operations smoothly.
5	Estimation of the future impact of CoVID-19 on its operations	The COVID-19 pandemic may cause delay in income accrual in near future. Exact impact of that is yet to be assessed at this stage.

6	Details of impact of CoVID-19 on listed entity's:	
	i. Capital and financial resources	No Significant Impact
	ii. Profitability	In view of lock down, the profitability during 1st quarter (April to June) is likely to be impacted. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalize probably from 3rd or 4th quarter.
	iii. Liquidity Position	The Company has taken appropriate measures to ensure requisite liquidity and there is no significant concern.
	iv. Ability to service debt and other financing Arrangements	No Concern.
	v. Assets	All assets are safe and well protected
	vi. Internal financial reporting and control	The Company has robust system in place and all its locations are well networked. Even during the lockdown with a combination of critical staff working from respective locations and all others working from home, all reporting systems worked seamlessly without any disruption.
	vii. Supply Chain	The supply chain was disrupted in view of lockdown in March 2020.
	viii. Demand for its products/services	The demand has reduced drastically. No major mobilization has happened in quarter April to June 2020. We are expecting to normalize the situation in 3rd Quarter of the year.
7	Existing contracts /agreement where non-fulfillment of the obligation by any party will have significant impact on the listed entity's business	The Company is well positioned to fulfill its obligations and existing contracts/arrangements.
8	Other relevant material updates about the business	Not Applicable

41 Disclosure as required under Schedule III of the Companies Act, 2013

The disclosure of breakup of net assets and profit after tax, entity wise is given in Statement 2 attached.

42 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Group for the year ended March 31, 2020.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Statement 1

A Effect of IND AS adoption on the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(Rs.in Lakhs)

	Particulars	Notes	Previous GAAP	Effect of Transition to IND AS	IND AS
I)	**INCOME:**				
	Revenue from Operations :		20,603.80	-	20,603.80
	Other Income	D(i)	120.34	0.90	121.25
	Total Income (I)		**20,724.14**	**0.90**	**20,725.04**
II)	**EXPENSES:**				
	Employee Benefit Expenses	D(iii)	14,309.67	(4.98)	14,304.69
	Finance Cost	D(ii)	104.30	10.13	114.43
	Depreciation and amortisation expense	D(ii)	74.25	21.25	95.50
	Other Expenses	D(ii) & D(iv)	5,174.06	23.67	5,197.73
	Total Expenses		**19,662.28**	**50.07**	**19,712.35**
	Profit Before exceptional and extraordinary items and Tax		**1,061.86**	**(49.16)**	**1,012.70**
	Exceptional items		-	-	-
	Profit / (Loss) before tax		**1,061.86**	**(49.16)**	**1,012.70**
	Tax expense		**150.13**	**(0.73)**	**149.40**
	1. Current Tax		122.00	-	122.00
	2. Short/Excess Provision of Tax		7.68	-	7.68
	3. Deferred Tax	D(ii)	20.45	(0.73)	19.72
	Profit for the period		**911.73**	**(48.44)**	**863.29**
VIII	**Other comprehensive income**				
A	**Items that will not be reclassified to profit or loss**				
	Re-measurement gains/ (losses) on defined benefit plans	D(iii)	-	(4.98)	(4.98)
	tax effect thereon				
B	**Items that will be reclassified to profit or loss**				
	Changes in foreign currency translation reserve		-	34.25	34.25
	tax effect thereon				
	Other Comprehensive Income for the year, net of tax		**-**	**29.27**	**29.27**
IX	**Total comprehensive income for the year**		**911.73**	**(19.17)**	**892.56**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

B Reconciliation of Other Equity

Particulars	Notes to first time adoption	As at March 31, 2019	As at April 1, 2018
Total equity / shareholders' funds under previous GAAP		**7,114.24**	**6,256.93**
Adjustments on account of IND AS:			
Fair Value of Financial Assets at Amortised Cost	D(i)	(0.67)	(0.67)
Interest Income on Financial Assets at Amortised Cost	D(i)	0.90	-
Lease Rent Under IND AS 116	D(ii)	24.31	-
Interest Expense as per IND AS 116	D(ii)	(10.13)	-
Depreciation Expense as per IND AS 116	D(ii)	(21.25)	-
Deferred Tax on Right of use Asset as per IND AS 116	D(ii)	0.73	-
Remeasurement (gains)/losses on defined benefit plans	D(iii)	4.98	-
Other Comprehensive Income	D(iii)	(4.98)	-
Provision for Expected Credit Loss	D(iv)	(90.20)	(42.22)
Total adjustment to equity		**(96.30)**	**(42.89)**
Total equity under Ind AS		**7,017.93**	**6,214.04**
Control Total		**7,017.93**	**6,214.04**
		7,017.93	6,214.04

C Notes to effect of first time adoption

i) Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequently the Prepaid rent portion is accounted for as per IND AS 116 on transition date

ii) IND AS 116 "Leases"

Effective April 1, 2018, the Group has adopted Ind AS 116 "Leases" as per para 8, 9 , D9B(a) & D9B(b)(ii) of Ind AS 101 and applied the standard to all lease contracts existing on April 1, 2018 at the date of transition. Application of the standard has resulted in recognising a right-of-use asset of Rs 102.87 lakhs and a corresponding lease liability of Rs.98.42 lakhs. In the profit and loss account for the year ended March 31,2019, the nature of expenses in respect of operating leases has changed from Lease rentals in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Accordingly, during the year ended March 31, 2019, Rs. 10.13 Lakhs has been accounted as Finance Cost and Rs. 21.25 Lakhs as Depreciation against the payment liability of Rs.24.31 Lakhs.

iii) Remeasurement of Defined employee benefit obligations

Under Ind AS, remeasurement .i.e. acturial gain and losses and the return on plan assets, excluding amount included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under previous GAAP remeasurement were forming part of profit or loss for the year.

iv) Expected Credit Loss

The provision is made against trade receivable based on expected credit loss model as per Ind AS 109. Under I-GAAP the provision was made when the receivables turned doubtful based on the assessment on case to case basis.

v) Retained earning

Retained earnings as at April 1, 2018 has been adjusted consequent to the above Ind AS transition adjustments.

vi) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Statement 2

Note to the Consolidated Financial Statements for the Year Ended March 31, 2020
Disclosure as per Schedule III of Companies Act, 2013

(Rs. in lacs)

Name of the entity	(Rs. in lacs)						2018-19					
	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in OCI		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in OCI	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)	As % of consolidated OCI	Amount (Rs.)	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)	As % of consolidated OCI	Amount (Rs.)
a) Parent												
Aarvi Encon Limited	85.35%	6,514.07	52.49%	376.76	-2.92%	-2.19	90.00%	6,315.88	68.20%	588.79	-17.02%	-4.98
b) Subsidiaries in India												
Aarvi Engineering & Consultants Private Limited	0.59%	45.35	-0.03%	(0.23)	2.48%	1.86	0.65%	45.59	0.11%	0.93	0.00%	-
Aarvi Encon FZE	14.06%	1,072.99	47.54%	341.27	100.44%	75.24	9.35%	656.47	31.69%	273.58	117.06%	34.25
Aarvi Encon Resources Limited - UK	-0.00%	(0.01)	0.00%	-	0.01%	0.01	-0.00%	(0.01)	0.00%	-	-0.04%	(0.01)
Grand Total	**100.00%**	**7,632.41**	**100.00%**	**717.80**	**100.00%**	**74.92**	**100.00%**	**7,017.92**	**100.00%**	**863.29**	**100.00%**	**29.26**

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, 2020, 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, 2020, 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.

1. Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of AS 9 "Revenue Recognition"

The application of the accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.

Auditor's Responses

Principal Audit Procedures

We assessed the Company's process to identify the impact of adoption of the revenue accounting standard.

Our audit approach consisted testing of the design and operating effectiveness od the internal controls and substantive testing as follows:

- Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
- Selected a sample of continuing and new contracts and performed the following procedures:
  - Read, analysed and identified the distinct performance obligations in these contracts.
  - Compared these performance obligations with that identified and recorded by the Company.
  - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
  - Samples in respect of revenue recorded for time and material contracts were tested using a

combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.

- Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
- In respect of samples relating to fixed-price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems.
- Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
- We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

2. Key Audit Matter

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.

Auditor's Responses

Principal Audit Procedures

Obtained details of completed tax assessments and demands for the year ended March 31, 2020 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 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, 2020 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2020 and its profit and its Cash Flows and its Statement of Changes in Equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) order, 2016 ("the Order") issued by the Central Government of India 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.

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 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 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, 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 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.

For **Arvind H. Shah & Co**.
Chartered Accountants
Firm Reg. No. 100577W

Arvind Shah
(Proprietor)
Membership No. 100/31224
UDINo. : 20031224AAAABP7182

Place : Mumbai.
Date : 30th June, 2020

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 2020, we report that

(I) (a) The company is in process of maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(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.

(II) The Company being in service sector, does not hold any physical inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.

(III) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause (iii)(a) to (c) of paragraphs 3 of the order are not applicable to the company.

(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, 2020 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, an undisputed amount of Rs. 6,38,640/- towards Tax Deducted at Source in respect of the above were in arrears as at March 31, 2020 for a period of more than 6 months from the date on when they became payable.

(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 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	54,47,080	A.Y-2018-19	CIT (Appeal)

(VIII) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

(IX) During the year under review the Company has not raised any amount by way of initial public offer, issuing and allotting the equity shares and hence reporting under clause 3(ix) of the Order is not applicable to the company.

(X) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(XI) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

(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) 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 or partly convertible debentures during the year.

(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) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Arvind H. Shah & Co**.
Chartered Accountants
Firm Reg. No. 100577W

Arvind Shah
(Proprietor)
Membership No. 100/31224
UDINo. : 20031224AAAABP7182

Place : Mumbai.
Date : 30th June, 2020

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 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Arvind H. Shah & Co**.
Chartered Accountants
Firm Reg. No. 100577W

Arvind Shah
(Proprietor)
Membership No. 100/31224
UDINo. : 20031224AAAABP7182

Place: Mumbai.
Date : 30th June, 2020

Standalone Balance Sheet as at March 31, 2020

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	1	**1,053.69**	1,129.58	638.46
(b) Right of Use Asset	2	**60.31**	81.62	102.87
(c) Other Intangible Assets	3	**3.44**	4.12	3.70
(d) Intangible Asset Under Development	4	**11.50**	8.25	-
(e) Financial Assets	5			
(i) Investments	5.1	**67.43**	67.43	67.34
(ii) Loans and Advances	5.3	**70.87**	86.57	37.40
(iii) Others	5.5	**895.05**	1,045.55	1,195.32
(f) Deferred Tax Asset, Net		**-**	-	-
(g) Other non current assets	6	**2,405.60**	2,217.28	1,338.12
		4,567.89	4,640.40	3,383.22
(2) Current Assets				
(a) Inventories		**-**	-	-
(b) Financial Assets	5			
(i) Investments	5.1	**-**	-	-
(ii) Trade Receivable	5.2	**4,833.82**	4,222.32	3,828.71
(iii) Cash and cash equivalents	5.4	**7.94**	262.09	527.07
(iv) Other Bank Balances	5.4	**155.90**	120.38	135.79
(v) Loans and Advances	5.3	**15.42**	19.94	47.16
(vi) Others	5.5	**460.38**	414.88	139.71
(c) Other current assets	6	**106.29**	98.44	69.08
		5,579.76	5,138.05	4,747.52
Total Assets		**10,147.65**	9,778.45	8,130.74
EQUITY & LIABILITIES				
Equity				
(a) Equity Share capital	7	**1,478.40**	1,478.40	1,478.40
(b) Other Equity	8	**5,035.67**	4,837.48	4,342.34
		6,514.07	6,315.88	5,820.74
Liabilities				
Non-current liabilities				
(a) Financial Liabilities	9			
(i) Borrowings	9.1	**1.11**	10.55	20.20
(ii) Lease Liabilty	9.2	**46.23**	67.80	84.24
(iii) Others	9.5	**102.51**	256.53	249.13
(b) Provisions	12	**2.47**	-	-
(c) Deferred Tax Liabilities (Net)	10	**30.38**	36.50	14.78
(d) Other Non-current liabilities	11	**-**	-	-
		182.70	371.37	368.35
Current liabilities				
(a) Financial Liabilities	9			
(i) Borrowings	9.3	**874.10**	699.57	349.19
(ii) Lease Liability	9.2	**21.57**	16.44	14.19
(iii) Trade payables	9.4	**462.35**	333.16	140.14
(iv) Others	9.5	**1,369.31**	1,348.17	769.11
(b) Other current liabilities	11	**712.77**	693.86	666.74
(b) Provisions	12	**10.82**	-	2.28
(c) Liabilities for current tax (net)	13	**-**	-	-
		3,450.88	3,091.21	1,941.65
Total Equity and Liabilities		**10,147.65**	9,778.45	8,130.74

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Standalone Statement of Profit and Loss for the year ended March 31, 2020

(All amounts are Rupees in lakhs unless otherwise stated)

	Particulars	Note Ref	Year ended March 31, 2020 (Rs.)	Year ended March 31, 2019 (Rs.)
I	Revenue from Operations (Gross):	14	19,121.40	19,193.51
II	Other Income:	15	61.98	120.96
III	**Total Revenue (I + II)**		**19,183.37**	**19,314.47**
IV	**Expenses:**			
	Employee Benefit Expenses	16	14,285.03	13,707.75
	Finance Cost	17	160.11	113.35
	Depreciation and amortisation expense	18	122.33	94.27
	Other Expenses	19	4,259.80	4,658.17
	Total Expenses (IV)		**18,827.27**	**18,573.54**
V	**Profit/(Loss) Before Tax (III-IV)**		**356.10**	**740.93**
VI	Tax Expense	20		
	1. Current Tax		64.20	122.00
	2. Short/Excess Provision of Tax		(37.01)	8.43
	3. Deferred Tax (Credit)/Charge		(49.71)	21.72
	4. MAT Credit		-	-
	Total Tax Expenses (VI)		**(22.52)**	**152.15**
VII	**Profit/(Loss) for the period (V-VI)**		**378.62**	**588.79**
VIII	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		(2.19)	(4.98)
	(ii) Income Tax relating to items that will not be reclassified to statement of profit and loss			
	Other Comprehensive Income for the year, net of tax		**(2.19)**	**(4.98)**
XIV	**Total comprehensive income for the year**		**376.43**	**583.81**
	Earnings per Share			
	Basic & Diluted	21	2.56	3.98
	Nominal Value per share of Rs.10 each			

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Statement of Changes in Equity

(All figures are in lakhs unless otherwise stated)

A Equity

Particulars	**As at March 31, 2020**		As at March 31, 2019		As at April 1,2018	
	Number of Shares	**Amount**	Number of Shares	Amount	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid						
Balance at the beginning of the reporting period	14,784,000	1,478.40	14,784,000	1,478.40	14,784,000	1,478.40
Changes in equity share capital during the year	-	-	-	-	-	-
Balance at the end of Reporting period	14,784,000	1,478.40	14,784,000	1,478.40	14,784,000	1,478.40

B Other Equity

Particulars	**Retained Earnings**	**Securities Premium**	**General Reserve**	**Total**
Balance as per Previous GAAP	**2,325.87**	**1,491.99**	**567.37**	**4,385.23**
Adjustments:				
Fair Value of Financial Assets at Amortised Cost	(0.67)	-	-	(0.67)
Provision for Expected Credit Loss	(42.22)	-	-	(42.22)
Defined Benefit Obligation	-	-	-	-
Balance as at April 1, 2018 as per IND AS	**2,282.98**	**1,491.99**	**567.37**	**4,342.34**
Profit/(Loss) for the year	588.79	-	-	588.79
Dividend & Dividend Distribution tax	(88.97)	-	-	(88.97)
Less Utilised for Writing of/ Reversal of Share Issue Expenses	-	0.30	-	0.30
Defined Benefit Obligation	(4.98)	-	-	(4.98)
Balance as at 31 March 2019	**2,777.82**	**1,492.29**	**567.37**	**4,837.48**
Profit/(Loss) for the year	378.62	-	-	378.62
Dividend & Dividend Distribution tax	(178.23)	-	-	(178.23)
Less Deferred tax liability on above	-	-	-	-
Defined Benefit Obligation	(2.19)	-	-	(2.19)
Balance as at 31 March 2020	**2,976.02**	**1,492.29**	**567.37**	**5,035.68**

The General Reserves of the Company has been invested in the working capital of the Company to enhance the business of the Company.

Securities premium reserve is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of Section 52 of Companies Act, 2013.

During FY 2017 -18, the Company had come up with the Initial Public Offer (IPO) and raised 21.24 Crores, out of which Security Premium of Rs. 17.30 Crores was raised.

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Cash Flow Statement for the period ended March 31, 2020

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	2019-20		2018-19	
Cash flows from operating activities				
Profit /(loss) before tax		**356.10**		740.93
Adjustments:				
Depreciation & amortisation	**122.33**		94.27	
Re-measurement of defined benefit obligation	**(2.19)**		(4.98)	
Interest expense	**151.63**		103.23	
Interest expense on Lease Liability	**8.48**		10.13	
Interest income	**(57.95)**		(69.11)	
Liabilities no longer required written back	**(0.32)**		(0.70)	
Expected Credit Loss	**47.80**		47.98	
Profit on sale of property, plant and equipment	**(1.84)**		(50.70)	
Loss on sale of property, plant and equipment	**4.30**		-	
		272.25		130.11
Operating cash flows before working capital changes and other assets		**628.35**		871.04
Decrease/ (increase) in Trade receivables	**(659.30)**		(441.59)	
Decrease/ (increase) in Financial Assets	**89.70**		(131.94)	
Decrease/ (increase) in Other Assets	**(8.05)**		(19.09)	
(Decrease)/increase in Trade Payables	**129.51**		194.02	
(Decrease)/increase in Financial Liabilities	**(129.69)**		591.96	
(Decrease)/increase in Other Liabilities	**32.20**		24.84	
		(545.69)		218.20
Cash generated from operations		**82.66**		1,089.24
Income taxes refund / (paid), net		**(171.72)**		(1,019.85)
Net cash generated from in operating activities		**(89.06)**		**69.39**
Cash flows from investing activities				
Purchase of property, plant and equipment and CWIP	**(35.08)**		(638.66)	
Proceeds from sale of property, plant and equipment	**4.91**		117.97	
Proceeds from sale of Intangible Assets			-	
Purchase of intangible assets			(1.42)	
Investment in Shares of Wholly Owned Subsidiary	**-**		(0.09)	
Interest Received	**57.95**		69.11	
		27.78		(453.08)
Cash flows from financing activities		**(61.28)**		(383.69)
Repayment of long-term borrowings	**(12.63)**		(15.15)	
Net Proceeeds from short -term borrowings	**174.53**		350.37	
Repayment of short -term borrowings	**-**		-	
Lease Liability:				
Principal	**(16.44)**		(14.19)	
Interest	**(8.48)**		(10.13)	
Dividend & Dividend Distribution tax	**(178.23)**		(88.97)	
Interest paid	**(151.63)**		(103.23)	
		(192.88)		118.71
Net cash used in financing activities		**(254.15)**		(264.98)
Net increase / decrease in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period		**262.09**		527.07
Cash and cash equivalents at the end of the period		**7.94**		262.09
		(254.15)		(264.98)

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

Statement of Significant Accounting policies and Other Explanatory Notes

(A) Corporate Information

Aarvi Encon Limited (the "Company") is a HR Services Company incorporated as Aarvi Encon Private Limited on 03 December 1987 and the registered office is located at 603, B1 Wing, Marathon Innova, Maratrhon Nextgen Complex, Lower Parel (W) Mumbai 400013. The name of the Company has changed to Aarvi Encon Limited pursuant to conversion into a Public Limited company, vide Shareholder's approval on 13 June,2017 and obtained a fresh certificate of incorporation dated 05 July 2017.

(B) Significant Accounting Policies

I) Basis of Preparation

The Company is in the process of listing its shares to Main Stock Exchange:

The Company undertook an Intial Public issue of equity shares and subsequently got its equity shares listed on the National Stock Exchange, Emerge (SME Segement) with effect from 05 October 2017.

The Company has on 04 November 2019, received in principle approval for migration of trading in the equity shares of the company from SME Platform (EMERGE) to Main Board.

Since the Company is in the process of listing its shares in the Main Exchange, therefore Indian Accounting Standards (Ind AS) is applicable to the Company for 2019-20.

These financial statements are Separate Financial Statements as per Ind AS 27 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods upto and including the year ended March 31, 2019 the Company prepared its financial statements in accordance with Companies (Accounting Standard) Rules,2006 notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The year ended March 31, 2020 is the first period for which the Company has prepared its financial statements in accordance with Ind AS. The previous period comparatives for the period ended March 31, 2019 which were earlier prepared as per the aforesaid Companies (Accounting Standards) Rules, 2016 have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore April 1, 2018 for which the Opening Balance Sheet is prepared.

These financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

II) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

III) Summary of significant accounting policies

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

(a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or

- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment

i) Property, plant and equipment (PPE) are measured at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of PPE includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of those PPE. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the year the asset is derecognized.

ii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss as incurred.

iii) The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year.

iv) Depreciation on all assets of the Company is charged on wriiten down method over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

v) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and the cost of property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

c) Intrangible Assets

i) Intangible assets are recorded at the consideration paid for cost of acquisition or development less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

ii) Intangible assets under development are capitalized only if the Company is able to establish control over such assets and expects future economic benefit will flow to the Company.

iii) Intangible assets are amortised over their estimated useful life, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

d) Borrowings

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the

asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

e) Impairment of Assets

Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

g) Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

j) Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

k) Financial Instruments

(i) Financial Assets & Financial Liabilities

Initial recognition and measurement

All financial assets and liabilities are recognised initially at fair value. In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying

amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Explanatory Notes details how the entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial instruments

A financial asset is derecognised only when

* The Company has transferred the rights to receive cash flows from the financial asset or
* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(ii) Investments in associates

Investments in associates are carried at cost in the Separate Financial Statements.

I) Revenue Recognition

i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Manpower Services

Revenue from manpower services is accounted at a point in time on accrual basis on performance of the services agreed in the contract with the customers.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

m) Taxes

Tax expenses comprise Current Tax and Deferred Tax.:

i) Current Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred Tax:

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii) MAT Credit:

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

n) Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Dividend Distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

p) Foreign exchange transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet

date are translated at the closing exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss.

q) Employee benefits

Short term employee benefits Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii. Defined benefit plans -Gratuity

In accordance with the applicable Indian laws, the Company provides for gratuity, defined benefit retirement plan ("the Gratuity plan") covering eligible employees. The Gratuity plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. Acturial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Current service cost and the interest cost on obligation related to defined benefit plans are recognised in the statement of profit or loss.

r) Leases

Effective April 1, 2018, the Company adopted Ind AS 116 "Leases" as per para 8, 9 , D9B(a) & D9B(b)(ii) of Ind AS 101 and applied the standard to all lease contracts existing on April 1, 2018 at the date of transition. The following is the summary of the new and/or revised significant accounting policies related to Leases. The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

1. Property, Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block Asset Class Wise-2019-20

Tangible Assets

Particulars	Office Premises	Plant & Machinery	Electrical Installation	Furtinure & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost								
As at 1st April 2018	695.56	90.26	30.47	106.91	111.88	360.16	195.35	1,590.59
Additions	546.69	23.79	7.30	22.71	7.17	14.01	8.74	630.41
Disposals/Adjustments	109.01	-	-	1.46	-	-	4.11	114.58
As at 31st March 2019	**1,133.25**	**114.04**	**37.77**	**128.16**	**119.05**	**374.18**	**199.99**	**2,106.43**
Additions	-	0.89	-	1.27	3.08	12.72	13.51	31.48
Disposals/Adjustments	-	14.03	-	11.00	68.58	288.06	63.89	445.56
As at 31st March 2020	**1,133.25**	**100.91**	**37.77**	**118.42**	**53.55**	**98.84**	**149.61**	**1,692.35**
Depreciation								
As at 1st April 2018	197.41	45.61	21.91	91.77	105.95	343.01	146.47	952.14
Charge for the Year	22.90	10.88	2.34	4.80	2.22	11.25	17.63	72.02
Disposals	43.29	-	-	0.13	-	-	3.89	47.31
As at 31st March 2019	**177.02**	**56.49**	**24.25**	**96.45**	**108.17**	**354.26**	**160.21**	**976.85**
Charge for the Year	46.55	10.80	3.53	7.76	4.43	14.05	12.88	99.99
Disposals	-	14.03	-	9.27	67.69	286.42	60.78	438.19
As at 31st March 2020	**223.57**	**53.25**	**27.78**	**94.93**	**44.92**	**81.89**	**112.31**	**638.66**
Net Block								
As at 1st April 2018	**498.15**	**44.65**	**8.56**	**15.13**	**5.92**	**17.15**	**48.88**	**638.46**
As at 31st March 2019	**956.22**	**57.56**	**13.52**	**31.71**	**10.88**	**19.91**	**39.78**	**1,129.58**
As at 31st March 2020	**909.67**	**47.65**	**9.99**	**23.49**	**8.63**	**16.95**	**37.30**	**1,053.69**

2. Right of Use Asset

Particulars	Amount
As at 1st April 2018	102.87
Additions	-
Disposals/Impairment	-
As at 31st March 2019	**102.87**
Additions	-
Disposals/Impairment	-
As at 31st March 2020	**102.87**
Depreciation	
As at 1st April 2018	-
Charge for the Year	21.25
Disposals	
As at 31st March 2019	**21.25**
Charge for the Year	21.31
Disposals	
As at 31st March 2020	**42.56**
Net Block	
As at 31st March 2020	**60.31**
As at 31st March 2019	**81.62**
As at 1st April 2018	**102.87**

Disclosures under IND AS 116 "Leases"

Effective April 1, 2018, the Company adopted Ind AS 116 "Leases" as per para 8, 9 , D9B(a) & D9B(b)(ii) of Ind AS 101 and applied the standard to all lease contracts existing on April 1, 2018 at the date of transition. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs.102.87 lakhs, and a lease liability of Rs.98.42 lakhs. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Accordingly, during the year ended March 31, 2019, Rs. 10.13 Lakhs has been accounted as Finance Cost and Rs. 21.25 Lakhs as Depreciation against the payment liability of Rs.24.31 Lakhs and during the year ended March 31, 2020, Rs. 8.48 Lakhs has been accounted as Finance Cost and Rs. 21.30 Lakhs as Depreciation against the payment liability of Rs.24.92 Lakhs.

The following is the summary of practical expedients elected on initial application

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

3 Intangible Asset

Particular	Software
Cost	
As at 1st April 2018	5.37
Additions	1.42
Disposals/Adjustments	-
As at 31st March 2019	**6.79**
Additions	0.35
Disposals/Adjustments	-
As at 31st March 2020	**7.14**
Depreciation	
As at 1st April 2018	1.67
Charge for the Year	1.00
Disposals	
As at 31st March 2019	**2.67**
Charge for the Year	1.03
Disposals	-
As at 31st March 2020	**3.70**
Net Block	
As at 1st April 2018	**3.70**
As at 31st March 2019	**4.12**
As at 31st March 2020	**3.44**

4 Intangible Under Development

Period	Software under Development
As at April 01,2018	-
For the Period	8.25
Capitalised	-
As at March 31, 2019	**8.25**
For the Period	3.25
Capitalised	-
As at March 31, 2020	**11.50**

(All figures are in Lakhs unless otherwise stated)

5. Financial Assets

5.1 A Investments in subsidiaries (at cost)

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
(i)	Equity instrument of subsidiaries-wholly-owned	67.43	67.43	67.34	-	-	-
	Total	**67.43**	**67.43**	**67.34**	**-**	**-**	**-**

I Details of Investments

	Particulars	March 31, 2020		March 31, 2019		April 1, 2018	
		Nos	Amount	Nos	Amount	Nos	Amount
A	**Unquoted**						
	(Fully paid-up unless otherwise stated)						
	In Wholly Owned Subsidiaries						
	Aarvi Engineering & Consultants Private Limited (FV Rs 100/- each)	20,000	40.12	20,000	40.12	20,000	40.12
	Aarvi Encon FZE (FV 150000/- each)	1	27.23	1	27.23	1	27.23
	Aarvi Encon Resources Limited, UK (FV GBP 1/- each)	100	0.09	100	0.09		-
	Total		**67.43**		**67.43**		**67.34**

During the Year 2018-19, the Company has invested in 100 equity shares at FV of GBP 1 each of Aarvi Encon Resources Limited,UK.

5.2 Trade Receivables

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
(Unsecured at Amortised Cost)							
i)	Considered good	-	-	-	4,833.82	4,222.32	3,828.71
ii)	Considered doubtful	-	-	-	138.01	90.20	42.22
	Less : Expected credit Loss	-	-	-	(138.01)	(90.20)	(42.22)
		-	-	-	4,833.82	4,222.32	3,828.71

A Expected Credit Loss:

Trade receivables and unbilled revenue are unsecured and are derived from revenue earned from customers primarily located in India. Periodically, the Company evaluates all customer dues to the Company for collectability. The need for impariment is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customers operates, general economic factors, which could affect the customer's ability to settle. More than 95% of the Company's customers have been transacting with the Company for over five years and none of these customers' balance are credit impaired. An impairment analysis is performed at each reporting date on invoice wise receivable balances. The Life time credit loss write off during the year arises more out of the disputes or charges rather than credit impairment.

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

Movement in the expected credit loss allowance

Particulars	March 31, 2020	March 31, 2019
Balance at the beginning of the period	90.20	42.22
Impairment loss recognised	47.80	47.98
Amount written off during the period	-	-
Provision at the end of the period	**138.01**	**90.20**

5.3 Loans and Advances

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
(Unsecured Considered goods)							
i)	Rent Deposits	14.37	13.40	12.50	15.42	19.85	16.62
ii)	Earnest Money Deposits	30.77	49.98	19.99	-	-	9.10
iii)	Other Security Deposits	1.94	3.21	4.91	-	0.10	21.44
iv)	Loans to Related Parties	23.79	19.98	-	-	-	-
		70.87	**86.57**	**37.40**	**15.42**	**19.94**	**47.16**

a) The break-up of Loans granted by the Company to related parties is as under :

Company Name	As at		
	March 31, 2020	March 31, 2019	April 01, 2018
Considered Good			
Aarvi Encon FZE	23.79	19.98	-
	23.79	**19.98**	**-**

The Company has granted loan for Business purposes to its wholly owned subsidiary and interest at the rate of 10% is charged on the loan

b) Investment by the loanee in the shares of the Company:

None of the loanees have, per se , made investments in the shares of the Company.

5.4 Cash and Bank Balances

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
A	**Cash and cash equivalents**						
i)	Balances with banks	-	-	-	7.29	261.60	20.62
ii)	Cash on hand	-	-	-	0.64	0.49	0.96
iii)	Cheques in hand	-	-	-	-	-	5.48
iv)	Fixed Deposits with Bank				-	-	500.00
		-	**-**	**-**	**7.94**	**262.09**	**527.07**
B	**Other Bank Balances**						
i)	In Earmarked Accounts (*)	-	-	-	-	2.98	29.51
ii)	Term Deposits with Banks (**)	-	-	-	155.90	117.40	106.28
	Total	**-**	**-**	**-**	**155.90**	**120.38**	**135.79**

(*) These are held as margin money or security against borrowings,guarantees and other commitments
(**) These are lien and/or pledged against short term credit facilities with banks

5.5 Others

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
Unsecured Considered Good							
i)	**Contract Asset**						
	- Security Deposit and Retentions	377.33	374.50	223.09	-	1.88	4.14
	- Unbilled Revenue	-	-	-	334.92	369.00	41.24
ii)	Reimbursement Right for Gratuity-Contract Staff	102.51	256.53	249.13	88.44	13.72	8.53
iii)	Interest Accrued On Deposits	-	-	-	27.15	24.54	70.48
iv)	Term Deposits with Banks	415.20	414.53	723.09	-	-	-
v)	Other Receivables	-	-	-	9.87	5.74	15.32
		895.05	**1,045.55**	**1,195.32**	**460.38**	**414.88**	**139.71**

6. Other Assets

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non-Current			Current		
i)	Capital Advances	59.25	59.05	69.25	-	-	-
ii)	Prepaid Expenses	-	-	0.07	67.37	67.71	42.42
iii)	Prepaid Taxes (Net of Provision of Tax)	2,346.35	2,158.23	1,268.81	-	-	-
iv)	Advance to suppliers	-	-	-	8.74	15.13	3.34
v)	Balances with Tax Authorities	-	-	-	10.33	1.95	-
v)	Staff Advances	-	-	-	19.86	13.66	23.33
	Total	**2,405.60**	**2,217.28**	**1,338.12**	**106.31**	**98.44**	**69.08**

7. Equity Share capital

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
i)	**Authorised shares :**			
	March 31, 2020: 2,00,00,000 Equity shares of Rs 10/- each (Increased by way of postal ballot on 14th Oct, 2019) March 31, 2019 : 1,50,00,000 Equity shares of Rs 10/- each April 1, 2018 : 1,50,00,000 Equity shares of Rs 10/- each	2,000.00	1,500.00	1,500.00
	Total	**2,000.00**	**1,500.00**	**1,500.00**
ii)	**Issued and subscribed and Paid-up shares :**			
	March 31, 2020: 1,47,84,000 Equity shares of Rs 10/- each March 31, 2019 : 1,47,84,000 Equity Shares of Rs. 10/- each April 1, 2018 : 1,47,84,000 Equity Shares of Rs. 10/- each	1,478.40	1,478.40	1,478.40
	Total	**1,478.40**	**1,478.40**	**1,478.40**
	Total paid-up share capital	**1,478.40**	**1,478.40**	**1,478.40**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at					
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	April 1, 2018	April 1, 2018
	Number	Amount	Number	Amount	Number	Amount
Balance, beginning of the period	14,784,000	1,478.40	14,784,000	1,478.40	14,784,000	1,478.40
Issued during the period	-	-	-	-	-	-
Balance, end of the period	**14,784,000**	**1,478.40**	**14,784,000**	**1,478.40**	**14,784,000**	**1,478.40**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As at					
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	April 1, 2018	April 1, 2018
	Number	%	Number	%	Number	%
Equity Shares						
Mr. Virendra Dalpatram Sanghavi	4,340,000	29.36%	4,340,000	29.36%	4,340,000	29.36%
Mrs. Niranjana Virendra Sanghavi	3,255,000	22.02%	3,255,000	22.02%	3,255,000	22.02%
Mr. Jaydev Virendra Sanghavi	2,170,000	14.68%	2,170,000	14.68%	2,170,000	14.68%
	9,765,000.00	66.05%	9,765,000	66.05%	9,765,000	66.05%

d) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

e) (i) Pursuant to the resolution passed by the Shareholders of the Company in the Extra Ordinary General Meeting of the Company held on April 28, 2017, each existing Equity Share of the Company having face value of Rs. 100/- (Rupees Hundered) each has got sub-divided into 10 (Ten) Equity Shares having face value of Rs. 10/- (Rupees Ten) each fully paid up.

(ii) The Company has issued and allotted 77,50,000 equity shares of Rs. 10/- each to the eligible holders of equity shares as per the Board resolution dated July 17, 2017 by capitalizing reserves. The basis of issue is five (5) shares for every two (2) shares held.

(iii) The Company has issued and allotted 39,34,000 equity shares of Rs. 10/- each at a premium of Rs. 44/- per share as per Board resolution dated September 29, 2017.

8. Other Equity

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
i)	Retained Earnings	2,976.02	2,777.82	2,282.98
ii)	Securities Premium Account	1,492.29	1,492.29	1,491.99
iii)	General Reserve	567.37	567.37	567.37
		5,035.68	**4,837.48**	**4,342.34**

9 Financial Liabilities (at amortized cost)

9.1 Long term borrowings

	As at			As at		
	March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
	Non- Current			Current		
(i) Loan from Non Banking Financial Institutions						
Vehicle Loan	1.11	10.55	20.20	9.44	12.63	14.39
Working Capital Loan	-	-	-	-	-	3.73
Less: Shown under other financial liabilities (Refer Note 8.4)	-	-	-	(9.44)	(12.63)	(18.12)
	1.11	**10.55**	**20.20**	**-**	**-**	**-**
The break-up of above:						
Secured	1.11	10.55	20.20	9.44	12.63	14.39
Unsecured	-	-	-	-	-	3.73

Security for loans and Terms of payment

In respect of Vehicle Loans

Vehicle loan is secured by hypothecation of Motor Vehicle purchased with the loan amount. It is repayable in 84 equated monthly instalments of Rs 48,200/- each (including interest), commencing from November 2013 onwards.

Vehicle loan is secured by hypothecation of Motor Vehicle purchased with the loan amount. It is repayable in 35 equated monthly instalments of Rs 16,385/- each (including interest), commencing from May,2017 onwards.

In respect of Overdraft and Working Capital demand loan

a. First Pari Passu charge on Current Assets

b. Pari Passu charge on property located at - Office No. 901, Ninth Floor, Building “B2”, Marathon Nextgen Innova, G.K. Road, Opposite Peninsula Corporate Park, Lower Parel (W), Mumbai - 400013.

c. Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi and Mrs Niranjana Sanghavi.

Maturity Profile of Borrowings	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
Installment payable within one year	9.44	12.63	15.15
Installment payable between 2 to 5 years	1.11	10.55	23.17
Installment payable beyond 5 years	-	-	-
Total	**10.55**	**23.17**	**38.33**

9.2 Lease Liaility-ROU Assets

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
i)	Lease Liability	46.23	67.80	84.24	21.57	16.44	14.19
	Total	**46.23**	**67.80**	**84.24**	**21.57**	**16.44**	**14.19**

I Disclosure in accordance with Ind AS - 116 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015

(a) Movement in Lease Liabilities

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Balance at the beginning	84.24	98.42	98.42
Addition during the year		-	-
Interest on lease liabilities	8.48	10.13	-
Lease Payments	24.92	24.31	
Closing	67.80	84.24	98.42

(b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability on an undiscounted basis.

Ageing	March 31, 2020	March 31, 2019	April 1, 2018
Within One year	27.96	24.92	24.31
Two to Five years	51.26	79.22	104.14
More than Five years	-	-	-
Total	**79.22**	**104.14**	**128.45**

(c) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

9.3 Short Term Borrowings (at amortised cost)

	As at		
	March 31, 2020	March 31, 2019	April 1, 2018
(Secured)			
Cash Credit Facility	874.10	699.57	349.19
Total	**874.10**	**699.57**	**349.19**

Security for loans and Terms of payment

In respect of Cash Credit from Yes Bank

a. Pari Passu charge on hypothecation charge on Current Assets and all movable fixed assets.

b. Equitable mortgage of commercial properties located at Shah & Nahar Industrial Estate, Lower Parel (Mumbai), Jetalpur (Baroda), and Marathon Nextgen Realty Limited, Lower Parel (Mumbai).

c. Unconditional and Irrevocable Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi and Mrs Niranjana Sanghavi.

d. Rs. 73,50,000/- in the form of fixed deposit receipt placed under bank lien.

In respect of Cash Credit and Working Capital demand loan from Citi Bank

a. First Pari Passu charge on present and future stocks, book debts and movable fixed assets.

b. Pari Passu charge on property located at - Shah & Nahar Industrial Estate, Lower Parel (Mumbai), Jetalpur (Baroda), Marathon Nextgen Realty Limited, Lower Parel (Mumbai) and Flat No 11 & 11A, Building O, 4th Floor, Konark Campus Co-operative Housing Society, Lohegaon Village, Taluka Haveli, Pune.

c. Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi and Mrs Niranjana Sanghavi.

d. Pledged fixed deposits amounting to INR 30,00,000/-.

9.4 Trade Payables (at amortised cost)

		As at		
		March 31, 2020	**March 31, 2019**	**April 1, 2018**
i)	Trade payables - Micro, small and medium enterprises	-	-	-
ii)	Trade payables - Others	462.31	333.16	140.14
	Total	**462.31**	**333.16**	**140.14**

a) Amounts due to Micro, Small and Medium Enterprises

As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

9.5 Other Financial Liabilities (At Amortised Cost)

		As at			As at		
		March 31, 2020	**March 31, 2019**	**April 1, 2018**	**March 31, 2020**	**March 31, 2019**	**April 1, 2018**
		Non- Current			**Current**		
i)	Current Maturities of Long term Borrowings	-	-	-	9.44	12.63	18.12
iii)	Advance from Customers	-	-	-	-	-	3.56
iv)	Employee Liabilities	-	-	-	1,269.40	1,316.40	733.07
v)	Employee Benefit Liability-Contract Staff	102.51	256.53	249.13	88.44	13.72	8.53
vi)	Others	-	-	-	2.03	5.42	5.82
		102.51	**256.53**	**249.13**	**1,369.31**	**1,348.17**	**769.11**

10 Deferred Tax Liability

			As at		
			March 31, 2020	**March 31, 2019**	**April 1, 2018**
a)	**Deferred Tax Liability on account of :**				
	i)	Depreciation due to timing difference	51.12	38.61	16.64
b)	**Deferred Tax Asset on account of :**				
	i)	Employee Benefits	18.66	1.39	1.87
	ii)	Right of Use Asset	2.08	0.73	-
			30.38	**36.50**	**14.78**

11 Other Liabilities

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
i)	Duties and Taxes payable	-	-	-	712.77	693.86	666.74
	Total	**-**	**-**	**-**	**712.77**	**693.86**	**666.74**

12 Provisions

		As at			As at		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
		Non- Current			Current		
i)	Provision for Employee Benefits						
	Provision for Gratuity	2.47	-	-	10.82	-	2.28
		2.47	-	-	10.82	-	2.28

a) Disclosure in accorance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The company has carried out the actuarial valuation of Gratuity liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs 20 lacs The Company's gratuity liability is Funded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year for Core Staff is as follow:

	Particulars	As on March 31, 2020	As on March 31, 2019
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**		
	Defined Benefit obligation at the beginning of the year	69.28	53.13
	Current Service Cost	10.25	9.03
	Interest Cost	5.13	4.01
	Actuarial (Gain) /Loss-Other Comprehensive Income	(0.14)	4.06
	Benefits paid	(1.32)	(0.95)
	Defined Benefit obligation at the year end	**83.19**	**69.28**
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair Value of plan assets at the beginning of the year	69.28	-
	Expected return on Plan Assets	(2.33)	(0.92)
	Interest Income	4.28	3.95
	Employer Contribution	-	67.20
	Benefits Paid	(1.32)	(0.95)
	Fair Value of Plan Assets at the year end	-	-
	Actual Return on Plan Assets	**69.90**	**69.28**

Particulars		As on March 31, 2020	As on March 31, 2019
(c)	**Reconciliation of fair value of assets and obligations**		
	Fair Value of Plan Assets	69.90	69.28
	Present value of Defined Benefit obligation	83.19	69.28
	Liability recognized in Balance Sheet	**13.29**	**-**
(d)	**Expenses recognized during the year (Under the head " Employees Benefit Expenses)**		
	Current Service Cost	10.25	9.03
	Interest Cost	5.13	4.01
	Expected Rate of return on Plan Assets	(2.33)	(0.92)
	Net Cost	**13.04**	**12.12**
(e)	**Actuarial (Gain)/Loss- Other Comprehensive Income**	2.19	4.98
(f)	**Net liabilities recognised in the balance sheet**		
	Long-term provisions	10.82	-
	Short-term provisions	2.47	-
		13.29	**-**

ii) Actuarial Assumptions

Discount rate (per annum)	6.90%	7.65%
Rate of escalation in salary (per annum)	7.00%	7.00%
Attrition Rate		
Younger Age	50%	10.00%
Older Age	5%	2.00%
Rate of return on plan assets (per annum)	6.90%	7.65%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption			
March 31, 2020	0.50%	0.50%	10.00%
March 31, 2019	0.50%	0.50%	10.00%
Increase in assumption			
March 31, 2020	(80.47)	85.64	83.20
March 31, 2019	(66.01)	72.14	69.61

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate
Decrease in assumption			
March 31, 2020	86.09	(80.83)	(83.16)
March 31, 2019	72.82	(66.42)	(68.92)

(iv) Acturial Risk:

A Actuarial Risk

It is the risk that benefits will cost more than expected.This can arise due to one of thefollowing reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability.In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money.An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation.The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees.This will directly affect the present value of the Defined Benefit Obligation and the samewill have to be recognized immediately in the year when any such amendment is effective.

13. Current Tax Liabilities (Net)

		As at		
		March 31, 2020	March 31, 2019	April 1, 2018
a)	Provision for Tax (Net of Taxes Paid)	-	-	-
		-	-	-

14. Revenue from Operations

		Year Ended March 2020	Year Ended March 2019
i)	**Revenue from Manpower Services**		
	Supply of Manpower and Consultancy Fees	19,023.32	19,092.93
ii)	**Other Operating Revenue**	98.08	100.58
		19,121.40	**19,193.51**

I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Serivce Type and Customer type:

(i) Revenue disaggregation by type of Service is as follows:

Major Service Type	2019-20	2018-19
Manpower Supply and Consultancy Fees	19,023.32	19,092.93
Reimbursement Income for Services Provided	98.08	100.58
	19,121.40	**19,193.51**

(ii) Revenue disaggregation by Customer Type is as follows:

Customer Type	2019-20	2018-19
Government Companies	5,468.87	4,745.14
Non Government Companies	13,637.61	14,448.37
	19,106.48	19,193.51

(iii) Movement in Contract Balances

Particulars	Opening	Billed for the Financial Year	Addition during the year	Closing
Advance from Customers				
March 2020	-	-	-	-
March 2019	3.56	3.56	-	-
Unbilled Revenue				
March 2020	369.00	369.00	334.92	334.91
March 2019	41.24	41.24	369.00	369.00

(v) Performance Obligation

Performance obligation is satisfied on rendering of services and as agreed in the contract with the customers. The payment is generally due within 0-30 days.

15. Other Income

		Year Ended March 2020	Year Ended March 2019
i)	Interest Income on Fixed Deposits	50.21	50.60
ii)	Interest Income on Loans and Advances	2.25	2.11
iii)	Profit on Sale of Property,Plant and Equipment	1.84	50.70
v)	Reversal of Provision for Expected Credit Loss	-	-
vi)	Interest Income on Financial Assets at amortised cost	0.97	0.90
vii)	Interest Income on Income Tax Refund	4.52	15.50
ix)	Sundry Balance written Back	0.32	0.70
x)	Foreign Exchange Gain	1.87	0.45
		61.98	**120.96**

16. Employee Benefit Expenses

		Year Ended March 2020	Year Ended March 2019
i)	Salaries & Wages, Bonus, Perquisites, etc	13,086.15	12,585.21
ii)	Contribution to Provident,Gratuity funds	838.82	760.62
iii)	Managerial Remuneration	336.00	336.00
iv)	Staff Welfare	24.06	25.92
		14,285.03	**13,707.75**

17 Finance Cost

		Year Ended March 2020	Year Ended March 2019
i)	Interest Expense on Lease Liability	8.48	10.13
ii)	Interest on Borrowings	150.54	102.38
iii)	Interest on Income Tax	-	0.08
iv)	Interest on Indirect Taxes	1.09	0.77
		160.11	113.35

18 Depreciation and Amortization

		Year Ended March 2020	Year Ended March 2019
i)	Depreciation on Property, Plant & Equipment	101.03	73.02
ii)	Depreciation on Right of Use Assets	21.31	21.25
	Total	**122.33**	**94.27**

19 Other expenses

	Year Ended March 2020	Year Ended March 2019
Assets Scrapped	4.30	-
Auditors Remuneration	11.90	11.48
Director's Sitting Fees	2.70	2.80
Travelling Expenses	419.28	467.75
Expected Credit Loss	47.80	47.98
Site related Expenses	201.64	296.45
Professional Fees - Project	2,460.31	2,561.48
Rates and Taxes	5.16	2.64
Power and Fuel	33.34	46.18
Rent	132.66	196.98
Membership & Subscription	18.85	7.48
Health and Safety Expenses	91.27	99.41
Housekeeping Expenses	5.23	7.25
Insurance Charges	104.38	82.19
Advertisement Expenses	25.50	22.42
Donation	2.81	2.22

	Year Ended March 2020	Year Ended March 2019
Motor Car Expenses	3.51	5.49
Food and Accomodation Expenses	425.50	549.59
Printing and Stationery Expenses	14.88	12.02
Legal & Professional Charges	73.41	58.90
Business Promotion Expenses	6.19	12.90
Telephone Charges	25.05	29.96
Bank Charges	24.65	31.14
Corporate Social Responsibility Expenses	13.45	10.45
Water Charges	7.40	13.49
Repairs and Maintenance Expenses	8.19	4.71
Office Maintenance Expenses	19.77	30.40
Other Expenses (None of which individually forms more than 1% of the Operating Revenue)	70.66	44.42
Total	**4,259.80**	**4,658.17**

a)	**Payment to auditors**	Year Ended March 2020	Year Ended March 2019
	Audit fee	8.00	8.00
	Tax Audit	2.00	2.00
	Tax Matters	1.90	1.48
	Total payments to auditors	**11.90**	11.48

20 Tax Expense

		Year Ended March 2020	Year Ended March 2019
a)	**Income tax expense in the statement of profit and loss consists of:**		
	Current Tax	64.20	122.00
	Short/Excess Provision of Tax	(37.01)	8.43
	Minimum alternative tax entitlement	(43.59)	
	Deferred Tax	(6.11)	21.72
	Income tax recognised in statement of profit or loss	**(22.52)**	**152.15**

b) **The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**

	Particulars	Year Ended March 2020	Year Ended March 2019
A	**Current Tax**		
	Accounting Profit Before Income Tax	356.10	740.93
	Enacted tax rates in India (%)	27.820%	27.553%
	Computed expected tax expenses	99.07	204.14
	Effect of non- deductible expenses	85.55	55.84
	Effects of deductable Expenses	(164.01)	(137.98)
	Income tax expenses - Net	20.60	122.00

Particulars	Year Ended March 2020	Year Ended March 2019
Tax liability as per Minimum Alternate Tax on book profits		
Minimum Alternate Tax rate	16.69%	20.59%
Computed tax liability on book profits	59.44	152.53
Tax effect on adjustments:		
1/5 portion of Opening IND AS Reserve as on April 1, 2018	(3.22)	-
Effect of non deductible ex-pense	7.97	6.48
Differential MAT Provided in Subsequent year	-	(37.01)
Minimum Alternate Tax on Book Profit	**64.20**	**122.00**
Higher of A or B	**64.20**	**122.00**

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in P&L	Recognised in OCI	Closing
As at April 01, 2018	14.78	-	-	14.78
Property, Plant and Equipment	16.64	21.97	-	38.61
Employee benefits	(1.87)	0.48	-	(1.39)
Right of Use Asset	-	(0.73)		(0.73)
As at March 31, 2019	14.78	21.72	-	36.50
Property, Plant and Equipment	38.61	12.51	-	51.12
Employee benefits	(1.39)	(17.27)	-	(18.66)
Right of Use Asset	(0.73)	(1.35)	-	(2.08)
As at March 31, 2020	36.50	(6.11)	-	30.38

21 Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	Year Ended March 2020	Year Ended March 2019
Net Profit / (Loss) as per Statement of Profit and Loss	378.62	588.79
Outstanding equity shares at period end - Nos	14,784,000	14,784,000
Weighted average Number of Shares outstanding during the period – Basic	14,784,000	14,784,000
Weighted average Number of Shares outstanding during the period - Diluted	14,784,000	14,784,000
Earnings per Share - Basic (Rs.)	2.56	3.98
Earnings per Share - Diluted (Rs.)	2.56	3.98
Reconciliation of weighted number of outstanding during the period:		
Nominal Value of Equity Shares (Rs per share)	10	10
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	14,784,000	14,784,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	14,784,000	14,784,000
Weighted average number of equity shares at the end of the period	14,784,000	14,784,000
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	14,784,000	14,784,000
Weighted average number of equity shares used in calculating diluted EPS	14,784,000	14,784,000

22 Contingent Liabilities

Particulars	March 31, 2020	March 31, 2019	April 01,2018
Bank Guarantees	318.14	248.83	554.74
Total	**318.14**	**248.83**	**554.74**

23 Commitments

Particulars	March 31, 2020	March 31, 2019	April 01,2018
Capital Commitments:			
Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)	-	6.20	526
Total	**-**	**6.20**	**526.20**

24 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance In accordance with IND AS "Operating Segment", The Company has only one reportable operating segment i.e. Manpower Supply and Consultancy Services.

a) Major Customers

The top 1 customers account for 18% of the total revenue earned during the year ended March 31,2020 (March 31,2019:Top 1 customers accounted for 22% of the total revenue earned).

b) Information about Geographical areas

Company's operation are confined in India only. All its revenue are generated in the said geographical location.

25 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Name of the related parties and related party relationships

A List of related parties

i Entities where control exists

Aarvi Engineering and Consultants Private Limited

Aarvi Encon FZE

Aarvi Encon Resources Limited, UK

ii Key Management Personnel

Mr. Virendra Sanghavi, Managing Director

Mr. Jaydev Sanghavi, Executive Director & CFO

Mr. Jay Shah, Company Secretary

iii Entities significantly influenced or controlled by Key Management Personnel or their relatives

Eneryjobz Services Private Limited

Aarvi Encon Employees Group Gratuity Fund

iv Relatives of Key Management Personnel

Mrs. Niranjana V. Sanghavi (wife of Managing Director)

Mr. Ninad Kulkarni (son in law of Managing Director)

Mrs. Naini Kulkarni, Proprietor of M/s Aarvi IT Services (daughter of Managing Director)

Mrs. Ami J. Sanghavi (wife of Executive Director)

Mr. Aditya J. Sanghavi (son of Executive Director)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Remuneration to Key Management Personnels (KMP)				
Mr. Virendra Sanghavi	-	168.00	-	168.00
	-	(168.00)	-	(168.00)
Mr. Jaydev Sanghavi	-	168.00	-	168.00
	-	(168.00)	-	(168.00)
Mr. Jay Shah	-	4.61	-	4.61
	-	(4.20)	-	(4.20)
Rent				
Mrs. Niranjana V Sanghavi	-		13.20	13.20
	-		(14.40)	(14.40)
Salaries and wages				
Mrs. Naini N. Kulkarni	-	-	22.75	22.75
	-	-	(16.25)	(16.25)
Mrs. Ami J. Sanghavi	-	-	7.80	7.80
	-	-	(5.85)	(5.85)
Interest income				
Aarvi Encon FZE	1.95	-	-	1.95
	(1.11)	-	-	(1.11)
Interest Paid				
Aarvi Engineering And Consultants Pvt Ltd	0.14			0.14
	-			-
Loan Given				
Aarvi Encon FZE	23.79	-	-	23.79
	(19.98)	-	-	(19.98)
Loan Taken				
Aarvi Engineering And Consultants Pvt Ltd	35.00			35.00
	-			
Director sitting fees				
Mrs Niranjana V Sanghavi	-	-	0.20	0.20
	-	-	(0.60)	(0.60)
Mr. Devendra J Shrimanker, Independent Director	-	0.95		0.95
		(0.80)		(0.80)
Mrs. Sonal N Doshi, Independent Director	-	0.75		0.75
		(0.60)		(0.60)
Mrs. Padma V Devarajan, Independent Director	-	0.80		0.80
		(0.80)		(0.80)
Dividend paid				
Mr. Virendra Sanghavi	-	43.40	-	43.40
	-	(21.70)	-	(21.70)
Mrs. Niranjana V Sanghavi	-	-	32.55	32.55
	-	-	(16.28)	(16.28)

Mr. Jaydev Sanghavi	-	21.70	-	21.70
	-	(10.85)	-	(10.85)
Mrs. Ami Jaydev Sanghavi	-	-	2.71	2.71
	-	-	(1.36)	(1.36)
Mr. Aditya Jaydev Sanghavi	-	-	1.63	1.63
			(0.81)	(0.81)
Mrs. Naini Ninad Kulkarni			5.43	5.43
			(2.71)	(2.71)
Mr. Ninad V. Kulkarni			1.09	1.09
			(0.54)	(0.54)
Purchase of equity shares				
Acquisition of Aarvi Encon Resources Limited, UK from Mr. Jaydev Sanghavi		-		-
		(0.09)	-	(0.09)
Balances outstanding at the end of the year				
Loans and advances				
Aarvi Encon FZE	23.79	-	-	23.79
	(19.98)	-	-	(19.98)
Rent Deposit				
Mrs. Niranjana V Sanghavi	-	-	0.70	0.70
	-	-	(0.70)	(0.70)
Outstanding				
Mr. Virendra Sanghavi	-	58.87	-	58.87
	-	(67.38)	-	(67.38)
Mr. Jaydev Sanghavi	-	85.90	-	85.90
	-	(90.41)	-	(90.41)
Mrs. Niranjana V Sanghavi	-	-	-	-
	-		(1.64)	(1.64)
Mrs. Naini N. Kulkarni	-	-	1.68	1.68
	-	-	(1.26)	(1.26)
Mrs. Ami J. Sanghavi	-	-	0.58	0.58
	-	-	(0.39)	(0.39)

Figures above do not include IND AS Adjustments

Reimbursement of Expenses is not reported above

(Previous years figures are in bracket)

* The managerial personnel are eligible for retirement benefits viz., gratuity and compensated absences in accordance with the policy of the Company. The proportionate retirement benefit expense pertaining to the managerial personnel has not been included in the aforementioned disclosures as this is provided in the books of account on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined

All transactions with these related parties are priced on an arm's length basis. None of the balance is secured.

26 Corporate Social Responsibility

For 2019-20

a Gross amount required to be spent by the Company during the year : Rs. 14.15 Lacs

b Amount spent by the Company during the year is as follows ;

Activity	Paid in Cash	Yet to be Paid in Cash	Total
1. Eradicating hunger, poverty and malnutrition, [“promoting health care including preventinve health care”] and promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	13.45	-	13.45
2. Rural development projects, Disaster management, including relief, rehabilitation and reconstruction activities.			
3. Contribution to the prime minister’s national relief fund or any other fund set up by the central govt. or state govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;			
Total	**13.45**	**-**	**13.45**

For 2018-19

a Gross amount required to be spent by the Company during the year : Rs. 10.97 lakhs.

b Amount spent by the Company during the year is as follows ;

Activity	Paid in Cash	Yet to be Paid in Cash	Total
1. Eradicating hunger, poverty and malnutrition, [“promoting health care including preventinve health care”] and promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	10.97	-	10.97
2. Rural development projects, Disaster management, including relief, rehabilitation and reconstruction activities.			
3. Contribution to the prime minister’s national relief fund or any other fund set up by the central govt. or state govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;			
Total	**10.97**	**-**	**10.97**

27 Derivative Instruments and Unhedged Foreign Currency Exposure

(i) There are no derivative instruments outstanding as at March 31, 2020 and March 31, 2019 and April 01,2018 .

(ii) Unhedged foreign currency exposure towards receivables outstanding as at March 31, 2020 ,March 31, 2019 and April 01,2018 is as under:

Particulars	As at					
	March 31,2020		March 31,2019		April 01,2018	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables						
a) USD	-	-	0.06	4.05	0.03	2.19

28 Significant accounting judgements, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainity about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

29 First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2020, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules,2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020 together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Other Equity as at April 1, 2018 and March 31, 2019 and changes in Profit and Loss for the year 2018-19 is given in Statement 1.

30 Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has not applied any of the exemptions

31. Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2020, March 31, 2019 and April 1, 2018 is as follows:

		Carrying Value			Fair Value		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
a)	**Financial Assets**						
	Amortised Cost						
	Trade Receivable	4,833.82	4,222.32	3,828.71	4,833.82	4,222.32	3,828.71
	Loans and Advances	86.29	106.51	84.56	86.29	106.51	84.56
	Cash and cash equivalents	7.94	262.09	527.07	7.94	262.09	527.07
	Other Bank balances	155.90	120.38	135.79	155.90	120.38	135.79
	Other	1,355.43	1,460.43	1,335.03	1,355.43	1,460.43	1,335.03
	Total Financial Assets	**6,439.38**	**6,171.73**	**5,911.16**	**6,439.38**	**6,171.73**	**5,911.16**

		Carrying Value			Fair Value		
		March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
b)	**Financial Liabilities**						
	Amortised Cost						
	Borrowings	884.65	722.74	387.52	884.65	722.74	387.52
	Lease Liability	67.80	84.24	98.42	67.80	84.24	98.42
	Trade payables	462.31	333.16	140.14	462.35	333.16	140.14
	Others	1,462.39	1,592.08	1,000.12	1,462.39	1,592.08	1,000.12
	Total Financial Liabilities	**2,877.14**	**2,732.22**	**1,626.20**	**2,877.18**	**2,732.22**	**1,626.20**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

32. Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

During the year, the Company has no financial assets and liabilities which are measured at fair value.

33. Financial risk factors

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables, investments and other financial instruments.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities.

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risks include trade receivable and trade payable.

i. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

ii. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company does not have significant foreign currency exposure and hence is not exposed to any significant foreign currency risks.

The Working Capital Position of the Company is given below:

	March 31, 2020	March 31, 2019
Current Assets		
Trade receivable	4,833.82	4,222.32
Cash and Cash Equivalent	7.94	262.09
Bank Balance	155.90	120.38
Loans and Advances	15.42	19.94
Other Financial Asset	460.38	414.88
Other Current Assets	106.29	98.44
Total	**5,579.76**	**5,138.05**
Less:		
Current Liabilities		
Borrowings	883.54	712.19
Lease Liability	21.57	16.44
Trade Payables	462.31	333.16
Others	2,072.64	2,029.41
Total	**3,440.06**	**3,091.21**
Net Working Capital	**2,139.70**	**2,046.84**

The table below provides details regarding the contractual maturities of significant financial liabilities :

	Less than 1 year	2-5 years	Total
As at March 31, 2020			
Borrowings	874.10	1.11	875.21
Trade Payables	462.31	-	462.31
Other Financial Liabilities	1,369.31	102.51	1,471.82
Total	**2,705.73**	**103.62**	**2,809.34**
As at March 31, 2019			
Borrowings	712.19	10.55	722.74
Trade Payables	333.16	-	333.16
Other Financial Liabilities	1,335.55	256.53	1,592.08
Total	**2,380.91**	**267.08**	**2,647.98**
As at April 01, 2018			
Borrowings	367.32	20.20	387.52
Trade Payables	140.14	-	140.14
Other Financial Liabilities	750.98	249.13	1,000.12
Total	**1,258.44**	**269.34**	**1,527.78**

34 Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, short term borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Gross Debt	875.21	722.74	387.52
Less:			
Cash and Cash Equivalent	7.94	262.09	527.07
Other Bank Balances	155.90	120.38	135.79
Net debt (A)	711.37	340.27	(275.33)
Total Equity (B)	6,514.08	6,315.88	5,820.74
Gearing ratio (A/B)	0.11	0.05	(0.05)

35 Utilization of IPO Proceeds as under:

Sr. No.	Particulars	As per the Prospectus dated September 14, 2017	Actual Utilization of Issue Proceeds till date	Unutilized Issue Proceeds till date	Deviation, if any
1	Working Capital Requirements	1,078.00	1,885.39	-	(807.39)
2	Acquisitions and Other Strategic Initiatives *	400.00	-	-	400.00
3	General Corporate Purposes	415.00	-	-	415.00
4	Issue Expenses	231.36	238.97	-	(7.61)

* The Board has passed a circular resolution on October 25, 2019 to vary the terms and condition of the prospectus dated September 14, 2017 for utilization of issue proceeds for working capital instead of Acquisition and other stretegic initiatives .The Shareholder have duly approved the same by way of postal ballot on November 30, 2019.

36. The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

37 Impact of Covid 19 on the Business of the Company.

Sr No	Particulars	Impact
1	Impact of the COVID- 19 pandemic on the business	The Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 25, 2020 extended up to June 30, 2020. The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the business of the Company.
2	Ability to maintain operations including the office spaces functioning and closed down	The Company allowed employees to work from home and thereby the Company has been able to maintain it operations in order to comply with duly applicable legal framework.

3	Schedule , if any of restarting the operations of the Company	The Company is following Government Directives regarding health and safety of employees and has encouraged to practice work from home until the situation is stabilized.
Sr No	**Particulars**	**Impact**
4	Steps taken to ensure smooth functioning of Operations	The Company has provided all necessary access to its employees to work from home to continue operations smoothly.
5	Estimation of the future impact of CoVID-19 on its operations	The COVID-19 pandemic may cause delay in income accrual in near future. Exact impact of that is yet to be assessed at this stage.
6	Details of impact of CoVID-19 on listed entity's:	
	i. Capital and financial resources	No Significant Impact
	ii. Profitability	In view of lock down, the profitability during 1st quarter (April to June) is likely to be impacted. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalize probably from 3rd or 4th quarter.
	iii. Liquidity Position	The Company has taken appropriate measures to ensure requisite liquidity and there is no significant concern.
	iv. Ability to service debt and other financing Arrangements	No Concern.
	v. Assets	All assets are safe and well protected
	vi. Internal financial reporting and control	The Company has robust system in place and all its locations are well networked. Even during the lockdown with a combination of critical staff working from respective locations and all others working from home, all reporting systems worked seamlessly without any disruption.
	vii. Supply Chain	The supply chain was disrupted in view of lockdown in March 2020.
	viii. Demand for its products/services	The demand has reduced drastically. No major mobilization has happened in quarter April to June 2020. We are expecting to normalize the situation in 3rd Quarter of the year.
7	Existing contracts /agreement where non-fulfillment of the obligation by any party will have significant impact on the listed entity's business	The Company is well positioned to fulfill its obligations and existing contracts/arrangements.
8	Other relevant material updates about the business	Not Applicable

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 30th June, 2020

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Company Secretary & Compliance Officer
Membership No. A45556

B Effect of IND AS adoption on the Statement of Profit and Loss for the year ended March 31, 2019

(Rs.in Lakhs)

	Particulars	Notes	Previous GAAP	Effect of Transition to IND AS	IND AS
I)	**INCOME:**				
	Revenue from Operations :		19,193.51	-	19,193.51
	Other Income	D(i)	120.06	0.90	120.96
	Total Income (I)		**19,313.57**	**0.90**	**19,314.47**
II)	**EXPENSES:**				
	Employee Benefit Expenses	D(iii)	13,712.73	(4.98)	13,707.75
	Finance Cost	D(ii)	103.23	10.13	113.35
	Depreciation and amortisation expense	D(ii)	73.02	21.25	94.27
	Other Expenses	D(ii) & D(iv)	4,634.50	23.67	4,658.17
	Total Expenses		**18,523.48**	**50.07**	18,573.54
	Profit Before exceptional and extraordinary items and Tax		**790.09**	**(49.16)**	740.93
	Exceptional items		-	-	-
	Profit / (Loss) before tax		**790.09**	**(49.16)**	**740.93**
	Tax expense		**152.87**	**(0.73)**	**152.15**
	1. Current Tax		122.00	-	122.00
	2. Short/Excess Provision of Tax		8.43	-	8.43
	3. Deferred Tax	D(ii)	22.45	(0.73)	21.72
	Profit for the period		**637.22**	**(48.44)**	**588.79**
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss				
	Reameasurement of the net defined benefit liability / asset	D(iii)	-	(4.98)	(4.98)
	Tax effect thereon		-	-	-
	Total other comprehensive income, net of tax		**-**	**(4.98)**	**(4.98)**
	Total comprehensive income for the period		**637.22**	**(53.42)**	**583.81**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

C Reconciliation of Other Equity

Particulars	Notes to first time adoption	As at March 31, 2019	As at April 1, 2018
Total equity / shareholders' funds under previous GAAP		**6,412.18**	**5,863.63**
Adjustments on account of IND AS:			
Fair Value of Financial Assets at Amortised Cost	D(i)	(0.67)	(0.67)
Interest Income on Financial Assets at Amortised Cost	D(i)	0.90	-
Lease Rent Under IND AS 116	D(ii)	24.31	-
Interest Expense as per IND AS 116	D(ii)	(10.13)	-
Depreciation Expense as per IND AS 116	D(ii)	(21.25)	-
Deferred Tax on Right of use Asset as per IND AS 116	D(ii)	0.73	-
Remeasurement (gains)/losses on defined benefit plans	D(iii)	4.98	-
Other Comprehensive Income	D(iii)	(4.98)	-
Provision for Expected Credit Loss	D(iv)	(90.20)	(42.22)
Total adjustment to equity		**(96.30)**	**(42.89)**
Total equity under Ind AS		**6,315.88**	**5,820.74**
Control Total		**6,315.88**	**5,820.74**
		6,315.88	5,820.74

D Notes to effect of first time adoption

i) Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. Consequently the Prepaid rent portion is accounted for as per IND AS 116 on transition date

ii) IND AS 116 "Leases"

Effective April 1, 2018, the Company adopted Ind AS 116 "Leases" as per para 8, 9 , D9B(a) & D9B(b)(ii) of Ind AS 101 and applied the standard to all lease contracts existing on April 1, 2018 at the date of transition. Application of the standard has resulted in recognising a right-of-use asset of Rs 102.87 lakhs and a corresponding lease liability of Rs.98.42 lakhs. In the profit and loss account for the year ended March 31,2019, the nature of expenses in respect of operating leases has changed from Lease rentals in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. Accordingly, during the year ended March 31, 2019, Rs. 10.13 Lakhs has been accounted as Finance Cost and Rs. 21.25 Lakhs as Depreciation against the payment liability of Rs.24.31 Lakhs.

iii) Remeasurement of Defined employee benefit obligations

Under Ind AS, remeasurement .i.e. acturial gain and losses and the return on plan assets, excluding amount included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under previous GAAP remeasurement were forming part of profit or loss for the year.

iv) Expected Credit Loss

The provision is made against trade receivable based on expected credit loss model as per Ind AS 109. Under I-GAAP the provision was made when the receivables turned doubtful based on the assessment on case to case basis.

iv) Retained earning

Retained earnings as at April 1, 2018 has been adjusted consequent to the above Ind AS transition adjustments.

v) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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