



Aarvi Encon Limited
Formerly known as Aarvi Encon Private Limited
CIN : U29290MH1987PLC045499
(ISO 9001 : 2008 & 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/2018-19/05

Date:- 19th May, 2018

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

Kind Attention: - Head – Listing

Sub: - Outcome of the Board Meeting of the Company held on Saturday, 19th May, 2018
commenced at 10.30 A.M. and concluded at 6.15 P.M.

Dear Sir/Madam,

Pursuant to Regulation 30 and 33 read with Para-A of Part A of Schedule III of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, This is to inform you that the meeting of the Board of Directors of the Company held on Saturday, 19th May, 2018 commenced at 10.30 A.M. and concluded at 6.15 P.M. at the registered office of the Company at B-603, Marathon Innova, Marathon Nextgen Complex, Lower Parel (West), Mumbai – 400 013 considered and approved the matters as under;

- 1) The Standalone and Consolidated Audited Financial Results of the Company for the half year and year ended on 31st March, 2018 along with Audit Report thereon by the Statutory Auditors and other matters.
- 2) The Board has declared a Dividend at the rate of 5% i.e Rs. 0.50 per share on the equity shares of the face value of Rs. 10 each subject to the approval of the members of the Company at the ensuing Annual General Meeting of the Company.
- 3) Appointment of M/s. Sunil Agarwal & Co., Practising Company Secretaries as Secretarial Auditor for the F.Y. 2018 - 19. Profile of the Secretarial Auditor attached herewith for your reference.



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

- 4) Purchased New office premises located at B2/901 located at 9th Floor, Marathon Innova, Marathon Nextgen Complex, Opp. Peninsula Corporate Park, Lower Parel (West), Mumbai – 400 013

We hereby enclosed the copy of the said Audited Standalone and Consolidated Financial Results for the half year and year ended on 31st March, 2018 along with the Audit Report of the Statutory Auditors of the Company thereon.

Kindly take the above information on your record and inform all the concerned accordingly.

Thanking you,

Yours faithfully,
For Aarvi Encon Limited

A handwritten signature in black ink, appearing to read "J. Harish Shah".

Jay Harish Shah
Company Secretary and Compliance Officer



CHARTERED ACCOUNTANTS

512-514, JOLLY BHAVAN NO. 1,
10, NEW MARINE LINES,
MUMBAI - 400 020.
TeleFax : 2209 2406 • 2209 2385
E-mail : ahs@ahsco.in

INDEPENDENT AUDITOR'S REPORT

To The Members of,
AARVI ENCON LIMITED

Report on Consolidated Financial Statements

We have audited accompanying consolidated financial statements of **Aarvi Encon Limited** (the "company") and its subsidiaries (Collectively referred to as 'the company' or 'The Group') which comprise the Consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 The Company Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and Consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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.

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated 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 Holding Company's management and Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and by other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement.

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 a 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 2018 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, whose financial statements reflect total assets of Rs.4,39,81,821/- as at 31st March, 2018, total revenue of Rs.4,60,79,026/- and net cash flow of Rs.1,03,01,411/- 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.

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, 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 consolidated Balance Sheet, the consolidated Statement of Profit and loss and consolidated Cash Flow Statements dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2018 and taken on record by the Board of Directors of the holding company, none of the directors of the group companies incorporated in India is disqualified as on 31 March, 2018, 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 and the operating effectiveness of such controls, refer to our report in 'Annexure A', which is based on the auditors' reports of the subsidiary companies incorporated in India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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



Arvind Shah
(Proprietor)
Membership No. 100/31224
Firm Reg. No. 100577W



Place : Mumbai.

Date : 19 MAY 2018

Aarvi Encon Limited

Annexure – A to the Independent Auditor's Report on the Consolidated Financial Statements.

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, 2018, We have audited the internal financial controls over financial reporting of **Aarvi Encon Limited** (hereinafter referred to as "the holding company") and its subsidiaries (the holding company and its subsidiaries together referred as to "the Group"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company'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, 2018, 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



Place: Mumbai.

Date: 19 MAY 2018

AARVI ENCON LIMITED
(Formerly known as Aarvi Encon Private Limited)

CIN: U29290MH1987PLC045499

B1-603, Marathon Innova, Marathon Nextgen Complex, G.K. Marg, Lower Parel, Mumbai - 400013, India.
Consolidated Audited Financial Results for the year ended on 31st March, 2018



Sr. No	Particulars	Half year ended 31st March, 2018	Half year ended September, 2017	Half year ended 31st March, 2017	Year ended 31st March, 2018	Year Ended 31st March, 2017
I	Revenue from operations	837,244,685	897,598,332	905,486,124	1,734,843,017	1,531,944,765
II	Other income	15,028,397	265,129	1,815,842	15,293,526	3,384,105
III	Total Revenue (I + II)	852,273,082	897,863,461	907,301,966	1,750,136,543	1,535,328,870
IV	Expenses:					
	Direct Expenses	724,416,484	758,342,718	727,927,540	1,482,759,202	1,276,460,009
	Employee Benefit Expense	49,270,859	61,556,166	102,482,877	110,827,025	122,814,520
	Finance Costs	1,232,614	9,046,729	8,300,215	10,279,343	16,284,656
	Depreciation and Amortization Expense	3,627,758	4,000,000	4,910,923	7,627,758	8,910,923
	Other Administrative Expenses	26,334,161	16,887,020	26,025,115	43,221,181	39,667,216
	Total Expenses	804,881,876	849,832,633	869,646,670	1,654,714,509	1,464,137,324
V	Profit before exceptional and extraordinary items and tax	47,391,206	48,030,828	37,655,296	95,422,034	71,191,546
VI	Exceptional Items	-	-	-	-	-
VII	Profit before extraordinary items and tax (V - VI)	47,391,206	48,030,828	37,655,296	95,422,034	71,191,546
VIII	Extraordinary Items	-	-	-	-	-
IX	Profit before tax (VII - VIII)	47,391,206	48,030,828	37,655,296	95,422,034	71,191,546
X	Tax expense:					
	(1) Current tax	7,562,500	12,500,000	5,833,333	20,062,500	17,500,000
	(2) Deferred tax	(1,520,030)	-	140,458	(1,520,030)	140,458
	(3) Short / (Excess) Provision for tax	(865,096)	-	-	(865,096)	-
XI	Profit(Loss) from the period from continuing operations	42,213,832	35,530,828	31,681,505	77,744,660	53,551,088
XII	Profit/(Loss) from discontinuing operations	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)	-	-	-	-	-
XV	Profit/(Loss) for the period (XI + XIV)	42,213,832	35,530,828	31,681,505	77,744,660	53,551,088
XVI	Earning per equity share:					
	* Basic and diluted	3.64	2.40	102.20	6.04	49.36
	* Nominal value of each share	10.00	10.00	100.00	10.00	100.00

- Note :**
- The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable.
The figures for the half year ended 31st March, 2018 are the balancing figures between the audited figures in respect of full financial year and the reviewed figures up to 30.09.2017.
 - The Company has sub-divided the nominal value of the equity shares from Rs. 100 to Rs. 10/- and has further issued and allotted 77,50,000 equity shares to the eligible holders of equity shares on the book closure date July 17, 2017 as bonus equity shares by capitalising reserves on July 17, 2017. The Earnings Per Shares figures for the half year / year ended 31st March 2017 have been restated to give effect to the sub-division and allotment of the bonus shares as required by AS-20.
 - During the year, the Company has issued 39,34,000 New Equity Shares of Rs. 10 each fully paid up to an aggregate amount of an Rs. 21,24,36,000/- through Initial Public Offer (IPO) to the General Public.
 - The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release at their respective meetings held on 19th May 2018
 - The Company has proposed a Dividend @ 5% on the Equity shares of face value of Rs. 10/- each subject to the approval of the members of the Company at the ensuing Annual General Meeting of the Company

In Terms of our Report of Even Date

For Arvind H. Shah & Co.

Chartered Accountants

Firm Registration No. 100577W

Arvind H. Shah

Proprietor

Membership No. 031224

Place : Mumbai

Date : May 19, 2018



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

Place : Mumbai

Date : May 19, 2018



AARVI ENCON LIMITED
(Formerly known as Aarvi Encon Private Limited)



CIN: U29290MH1987PLC045499

B1-603, Marathon Innova, Marathon Nextgen Complex, G.K. Marg, Lower Parel, Mumbai - 400013, India.

Consolidated Statement of Assets and Liabilities for the year ended on 31st March, 2018

(Amount in INR)

Particulars	Note No.	As at 31st March, 2018 Audited	As at 31st March 2017 Audited
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	147,840,000	31,000,000
(b) Reserves and Surplus	4	477,853,011	324,581,425
(c) Capital reserve on consolidation		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	2,644,569	3,359,103
(b) Deferred Tax Liabilities (Net)	6	1,477,615	1,570,382
(c) Long term provisions	7	91,976	91,976
(4) Current Liabilities			
(a) Short-Term Borrowings	8	34,919,481	127,616,094
(b) Trade Payables	9		
* Due to Micro, Small and Medium Enterprises		-	-
* Due to others		88,094,298	131,433,404
(c) Other Current Liabilities	10	74,097,568	52,316,744
(d) Short-Term Provisions	11	715,509	-
Total		827,734,026	671,969,128
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	12	64,293,742	70,790,321
(ii) Intangible assets	12	2,381,992	2,271,737
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
		66,675,734	73,062,058
(c) Deferred tax assets (net)	13	1,427,263	-
(d) Long term loans and advances	14	158,776,371	121,986,187
(e) Other non-current assets	15	72,309,356	26,860,436
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	16	410,128,277	355,291,963
(d) Cash and Bank Balance	17	87,348,382	66,455,486
(e) Short-term loans and advances	18	18,762,791	22,997,147
(f) Other current assets	19	12,305,852	5,315,851
Total		827,734,026	671,969,128

In terms of our report attached.

For Arvind H. Shah & Co.

Chartered Accountants

Firm Registration No. 100577W

Arvind H. Shah

Proprietor

Membership No. 031224

Place : Mumbai

Date : May 19, 2018



For and on behalf of the Board of Directors

Virendra D. Sanghavi

Managing Director

DIN:00759176

Jay Shah

Company Secretary & Compliance Officer

Membership No. A45556

Place : Mumbai

Date : May 19, 2018

Jaydev V. Sanghavi

Executive Director &

CFO

DIN:00759042





CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To The Members of
Aarvi Encon Limited

Report on Standalone Financial Statements

We have audited accompanying standalone financial statements of **Aarvi Encon Limited** (the "company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended and a summary of the significant accounting policies and other explanatory information.

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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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.

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

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 statements 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 2018 and its profit and its cash flows 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 A, a statement on the matters specified in paragraph 3 and 4 of the Order.

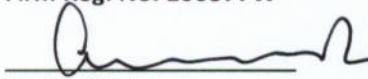
As required by section 143(3) of the Act, we further report that:

- 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 and Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
- e) on the basis of written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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 B'. 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



Place : Mumbai.

Date : 19 MAY 2018

Aarvi Encon Limited

Annexure – A to the Independent Auditor's Report

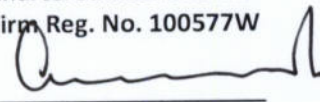
The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that

- (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, 2018 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. 34,78,290/- payable in respect of the above were in arrears as at March 31, 2018 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 income tax, sales tax, service tax, duty of custom, duty of excise, value added tax outstanding on account of any dispute.



- (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 raised an amount of Rs. 21,24,36,000/- by way of initial public offer, issuing and allotting the equity shares. In our opinion and according to information and explanations provided to us the Company has applied the said funds raised for the purposes of the issue.
- (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 given to us and based on our examination of the records of the Company, the Company has not paid or provided for managerial remuneration.
- (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 given 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



Place : Mumbai.

Date : 19 MAY 2018

Aarvi Encon Limited

Annexure – B 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 2018 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.

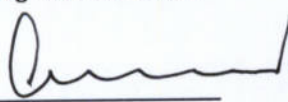
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 2018, 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



Place: Mumbai.

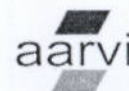
Date: 19 MAY 2018

AARVI ENCON LIMITED
(Formerly known as Aarvi Encon Private Limited)

CIN: U29290MH1987PLC045499

B1-603, Marathon Innova, Marathon Nextgen Complex, G.K. Marg, Lower Parel, Mumbai - 400013, India.

Standalone Audited Financial Results for the year ended on 31st March, 2018



Sr. No	Particulars	Half year ended 31st March, 2018	Half year ended September, 2017	Half year ended 31st March, 2017	Year ended 31st March, 2018	Year Ended 31st March, 2017
I	Revenue from operations	804,252,729	884,511,262	856,214,426	1,688,763,991	1,462,237,492
II	Other Income	11,910,014	265,129	1,776,381	12,175,143	3,353,721
III	Total Revenue (I + II)	816,162,743	884,776,391	857,990,807	1,700,939,134	1,465,591,213
IV	Expenses:					
	Direct Expenses	731,726,797	751,032,404	727,927,540	1,482,759,201	1,276,460,009
	Purchase of Stock-in-Trade	-	-	-	-	-
	Changes in Stock-in-Trade/ Inventory	-	-	-	-	-
	Employee Benefit Expense	27,067,541	61,330,889	80,922,390	88,398,430	81,431,987
	Finance Costs	1,232,614	9,046,729	8,116,796	10,279,343	16,121,597
	Depreciation and Amortization Expense	3,228,303	4,000,000	4,375,494	7,228,303	8,375,494
	Other Administrative Expenses	15,791,217	15,911,215	17,464,935	31,702,432	30,466,530
	Total Expenses	779,046,473	841,321,237	838,807,155	1,620,367,709	1,412,855,617
V	Profit before exceptional and extraordinary items and tax	37,116,270	43,455,154	19,183,652	80,571,425	52,735,596
VI	Exceptional Items	-	-	-	-	-
VII	Profit before extraordinary items and tax (V - VI)	37,116,270	43,455,154	19,183,652	80,571,425	52,735,596
VIII	Extraordinary Items	-	-	-	-	-
IX	Profit before tax (VII - VIII)	37,116,270	43,455,154	19,183,652	80,571,425	52,735,596
X	Tax expense:					
	(1) Current tax	7,000,000	12,500,000	5,833,333	19,500,000	17,500,000
	(2) Deferred tax	327,931	-	140,458	327,931	140,458
	(3) Short / (Excess) Provision for tax	(865,096)	-	-	(865,096)	-
XI	Profit/(Loss) from the period from continuing operations	30,653,435	30,955,154	13,209,861	61,608,590	35,095,138
XII	Profit/(Loss) from discontinuing operations	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)	-	-	-	-	-
XV	Profit/(Loss) for the period (XI + XIV)	30,653,435	30,955,154	13,209,861	61,608,590	35,095,138
XVI	Earning per equity share:					
	* Basic and diluted	2.70	2.09	42.61	4.79	32.35
	* Nominal value of each share	10.00	10.00	100.00	10.00	100.00

- Note :**
- (1) The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable. The figures for the half year ended 31st March, 2018 are the balancing figures between the audited figures in respect of full financial year and the reviewed figures up to 30.09.2017.
 - (2) The Company has sub-divided the nominal value of the equity shares from Rs.100 to Rs.10/- and has further issued and allotted 77,50,000 equity shares to the eligible holders of equity shares on the book closure date July 17, 2017 as bonus equity shares by capitalising reserves on July 17, 2017. The Earnings Per Shares figures for the half year / year ended 31st March 2017 have been restated to give effect to the sub-division and allotment of the bonus shares as required by AS-20.
 - (3) During the year, the Company has issued 39,34,000 New Equity Shares of Rs. 10 each fully paid up to an aggregate amount of Rs. 21,24,36,000/- through Initial Public Offer (IPO) to the General Public.
 - (4) The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release at their respective meetings held on 19th May 2018.
 - (5) The Company has proposed a Dividend @ 5% on the Equity shares of face value of Rs. 10/- each subject to the approval of the members of the Company at the ensuing Annual General Meeting of the Company.

In Terms of our Report of Even Date
For Arvind H. Shah & Co.
Chartered Accountants
Firm Registration No. 100577W

Arvind H. Shah
Proprietor
Membership No. 031224

Place : Mumbai
Date : May 19, 2018



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

Place : Mumbai
Date : May 19, 2018

AARVI ENCON LIMITED
(Formerly known as Aarvi Encon Private Limited)



CIN: U29290MH1987PLC045499

B1-603, Marathon Innova, Marathon Nextgen Complex, G.K. Marg, Lower Parel, Mumbai - 400013, India.

Statement of Standalone Assets and Liabilities for the year ended on 31st March, 2018

(Amount in INR)

Particulars	Note No.	As at 31st March, 2018 Audited	As at 31st March 2017 Audited
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	147,840,000	31,000,000
(b) Reserves and Surplus	4	438,522,882	300,964,624
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	5	2,020,124	2,721,571
(b) Deferred Tax Liabilities (Net)	6	1,477,615	1,149,684
(4) Current Liabilities			
(a) Short-Term Borrowings	7	34,919,481	128,246,319
(b) Trade Payables	8		
* Due to Micro, Small and Medium Enterprises		-	-
* Due to others		87,781,470	128,647,167
(c) Other Current Liabilities	9	68,608,480	47,434,455
(d) Short-Term Provisions	10	228,009	-
Total		781,398,061	640,163,820
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	11	63,845,835	65,422,584
(ii) Intangible assets	11	370,064	259,809
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	64,215,899	65,682,393
(c) Deferred tax assets (net)		6,734,428	6,734,428
(d) Long term loans and advances	13	-	-
(e) Other non-current assets	14	158,611,423	121,802,790
		72,309,356	26,860,436
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	15	386,737,325	323,039,197
(d) Cash and Bank Balance	16	66,285,497	64,842,005
(e) Short-term loans and advances	17	14,198,281	25,886,720
(f) Other current assets	18	12,305,852	5,315,851
Total		781,398,061	640,163,820

In terms of our report attached.

For Arvind H. Shah & Co.

Chartered Accountants

Firm Registration No. 100577W

For and on behalf of the Board of Directors

V. D. Sanghavi

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev Sanghavi

Jaydev V. Sanghavi
Executive Director &
CFO
DIN:00759042

Arvind H. Shah

Arvind H. Shah

Proprietor

Membership No. 031224

Place : Mumbai

Date : May 19, 2018



Jay Shah

Jay Shah

Company Secretary & Compliance Officer
Membership No. A45556

Place : Mumbai

Date : May 19, 2018

Profile of Sunil Agarwal & Co., Practicing Company Secretaries as under;

- Sunil Agarwal & Co. established in February, 2000 by the proprietor Sunil Kumar Agrawal a Fellow Member of the Institute of the Company Secretaries of India having Membership No 8706 qualified as Company Secretary in the year of 1995 having office at office No. 150-151, Ostwal Ornate, Building No. 2, 'B' Wing, Opp. Jain Temple, Bhayander(East), Thane-401105 and having network association at Delhi, Kolkata, Chennai, Bangalore, Pune.
- Mr. Sunil Agarwal is the present member of the Bhayander Chapter of WIRC of ICSI. He had also served as Chairman of the said chapter in the year 2014.
- Presently Mr. Agarwal is serving following clients on retainer ship or on consultant basis. Such as;

Saraf Chemicals Private Ltd. (One of the leading Manufacturing Company in Textiles Chemicals, Dye Chemicals) & other group companies, Portfolio Financial Services Ltd. (One of the leading Mutual Fund Distributor & Corporate Finance Arranger) & other Group Companies., Sigla finlease Pvt. Ltd., Silpa Offset printing Pvt. Ltd.(Offset printing house), JSW Steel Limited, JSW Holdings Limited, KKB Developers Limited & group companies (Builders & Developers), Jet Freight Logistics Limited (India's leading Logistics Company) entering in to SME Listing Platform., Syselec Technologies private limited(leading measuring equipment manufacturing company), PEE VEE Textiles Limited (leading yarn Manufacturing company), Vatsa group of companies, A&O realty Private Limited and Group Companies.

- Sunil Agarwal & Co., Practicing Company Secretaries providing various services such as Business Set Up, Advisory Services, Drafting of MOA & AOA, Agreements, Listing Regulations, Corporate Restructuring, Certification on various Corporate Laws, FEMA matters, MCA services and various other service on other corporate laws.
- He is also doing Secretarial Audit of JSW Holdings Limited and various it's Group Companies, Tara Jewels Limited, Pee Vee Textiles Limited etc.