



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/2021-22/14

Date: July 06, 2021

To,

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex,

Bandra (E), Mumbai – 400051

Kind Attention: Head – Listing

Symbol: AARVI

Sub: Notice of the 33rd Annual General Meeting of the Members of the Company and the Annual Report for the FY 2020 – 21

Dear Sir/Madam,

This is to inform that 33rd Annual General Meeting (AGM) of the Company will be held on Thursday, July 29, 2021 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 2020 – 21, comprising the Notice of the AGM and the standalone and consolidated financial statements for the financial year 2020 – 21, 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 33rd AGM and Annual Report for the FY 2020 – 2021 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

Leela Bisht

Company Secretary & Compliance Officer

Membership No.: 59748

NOTICE OF 33RD ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

Notice is hereby given that Thirty Third Annual General Meeting (Fourth AGM post IPO of the Company) of the members of Aarvi Encon Limited will be held on Thursday, July 29, 2021, via video conference ("VC") / other Audio-Visual means ("OAVM") at 11:00 A.M., to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at B1-603, Marathon Innova, Marathon NextGen, Lower Parel (W), Mumbai – 400013.

ORDINARY BUSINESS:

1. To consider and adopt the:
 - (a) Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon; and
 - (b) Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2021 and the report of Auditors thereon.
2. To Appoint a Director in place of Mr. Virendra D. Sanghavi (DIN: 00759176), Managing Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend of Re. 1.5/- per equity share for the Financial Year ended March 31, 2021.

SPECIAL BUSINESS:

4. **RE-APPOINTMENT OF DR. PADMA V. DEVARAJAN (DIN: 08064987) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 along with applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, Reappointment of Dr. Padma V. Devarajan (DIN: 08064987), who was appointed as an Independent Director of the

Company and holds office upto January 31, 2021 being eligible for reappointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature as a Director, be and is hereby re-appointed as an Independent Director of the company to hold office for a second term of 5 consecutive years from years commencing from February 01, 2021 to January 31, 2026 and whose office shall not be liable to retire by rotation."

5. **TO APPROVE REMUNERATION OF MR. JAYDEV V. SANGHAVI (DIN: 00759042), EXECUTIVE DIRECTOR & CFO OF THE COMPANY FOR THE FINANCIAL YEAR (FY) 2020-21 AND 2021-22.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution 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), and Regulation 17(6) (e)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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. Jaydev V. Sanghavi (DIN: 00759042) 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. Jaydev V. Sanghavi as Executive 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. Jaydev V. 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.

6. TO APPROVE REMUNERATION PAYABLE TO EXECUTIVE DIRECTORS UNDER REG. 17 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

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

"RESOLVED THAT pursuant to Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Consent of the members of the

Company be and is hereby accorded, for continuation of payment of remuneration exceeding 5% of the net profits of the Company as per the provisions of Section 198 and other applicable provisions of the Companies Act, 2013, for the financial year 2020 - 2021 and 2021 - 2022 to Mr. Virendra Sanghavi, (Chairman and Managing Director) and Mr. Jaydev Sanghavi (Executive Director and; CFO) of the Company.

"RESOLVED FURTHER THAT any Director(s) or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), consider necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

By Order of the Board of Directors

Sd/-

Leela S. Bisht

Company Secretary & Compliance Officer

Date: June 3, 2021

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@aarviencon.com

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto.
2. 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") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) 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, MCA vide its circular dated January 13, 2021 has extended the timeline of the aforesaid circulars to allow companies whose AGM were due to be held in the year 2020 or become due in the year 2021, to conduct their AGM on or before December 31, 2021 in accordance with the aforesaid circulars. Therefore, in compliance with the provisions of the Act and MCA circulars, **SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015** the AGM of the Company is being held through VC / OAVM i.e. without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the aforesaid MCA circulars and SEBI circular the notice of AGM along with Annual Report for the Financial year 2020 - 21 is being sent only through electronic mode to all the members whose email IDs are registered with the Company/ RTA / Depository Participant(s). Members may note that the Notice and Annual report for Financial year 2020-21 will also be available on the company's website i.e. www.aarviencon.com and on the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and is also available on the website of NSDL (agency providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
3. 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 without any fee from the date of circulation of this Notice up to the date of AGM. Any member seeking inspection of such documents may write an email to cs@aarviencon.com.
4. The Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. Members who hold shares physically and who have not registered / updated their email address with the Company are requested to register/ update the same by sending an email with a copy of self-attested PAN, and self-attested copy of any document such as Aadhaar Card, Passport, Driving License, Election identity Card, etc. in support of the registered address of the member and folio number at cs@aarviencon.com. 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 send you the quarterly reports and other communications via email.
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company scanned copies of the Board Resolution/ Letter of Authorisation / Power of Attorney pursuant to section 113 of the Companies Act 2013 together with their specimen signature authorizing their representative to attend and vote at this AGM through VC / OAVM and vote on their behalf at the meeting or through remote e-voting.
7. To prevent fraudulent transactions, the identity/ signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company 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.
8. 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.

9. Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 A” to the notice and forms integral part of the notice. The Directors have furnished the requisite declarations.
10. Non-resident Indian members are requested to inform the Company on cs@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.
11. 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.
12. 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 July 2, 2021.
13. Pursuant to provisions of the Companies Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company, however this 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.
14. The AGM will be held through Video Conference / Other Audio Visual Means (VC / OAVM), therefore the route map of the venue of the Meeting and attendance slip is not required to be annexed in this Notice.
15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
16. The dividend on equity shares as recommended by the Board of Directors, if declared, at the AGM shall be paid to the members whose names are registered

in the Register of Members / Beneficial owners as on July 17, 2021. Members may please note for shares held in electronic form and / or physical form, complete the bank details as registered with the depository participants / Company as the same 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.

17. As per SEBI Circular dated 20 April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the shareholders required for this purpose are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the shareholders.
18. To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change of address or particulars of their bank account, if any, to share transfer agent investor@bigshareonline.com and to their respective depository participants.
19. 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. July 29, 2021. 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.
20. Members are requested to note that dividend which has been declared but not paid and / or not claimed within thirty days from declaration shall be transferred to “Unpaid Dividend Account” of the Company within 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 (IEPF).
21. 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.

22. As mandated by SEBI, effective from April 1, 2019 securities of listed companies shall be transferred only in dematerialized form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize share(s) held by them in physical form.
23. Members who wish to claim dividend, which remain unclaimed, are requested to correspond with the Registrar and Share Transfer Agent of the Company viz. M/s. Bigshare Services Private Limited, at their registered address or email id: Vinayak@bigshareonline.com; investor@bigshareonline.com.

The details of the un-encashed /unclaimed above-mentioned Dividend are as under:

Dividend for the Financial Year	Unclaimed / Un-encashed Dividend as on March 31, 2021 (in Rs.)	Due date of transfer to Investor Education and Protection Fund
2017-18	10,000/-	August 31, 2025
2018-19	24,000/-	August 06, 2026
2019-20	11,700/-	September 22, 2027

24. 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:

25. The Company has obtained services from National Security Depository Limited (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 WebEx for ease of participation.
26. 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.

27. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
28. 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 by following the procedure mentioned in the Notice.
29. Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request in advance atleast 3 (three) days prior to Meeting i.e. on or before Monday, 26th July, 2021 mentioning their name, demat account number/folio number, email id, mobile number at cs@aarviencon.com. The Members who do not wish to speak during the AGM but have queries may send their queries in advance atleast 5 (five) days prior to Meeting i.e. on or before Saturday, 24th July, 2021 mentioning their name, demat account number/folio number, email id, mobile number at cs@aarviencon.com. These queries will be replied to by the Company suitably by email. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the Meeting. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

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

30. 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 remote 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 July 26, 2021 to 05:00 P.M (IST) on July 28, 2021.
31. 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.

32. A person, whose name is recorded in Register of Members or in Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut – off date which is July 23, 2021 shall be entitled to avail the facility of remote e-voting/ e-voting at the AGM. 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.
33. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in (email id of NSDL). Any person who is not a member as on the cut-off date shall treat this notice for information purpose only.
34. 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.
35. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
36. 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.
37. 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.
38. In accordance with the MCA and SEBI circulars, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith),

such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

39. 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.
40. Procedure and instructions of remote e-voting are detailed below:

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

The remote e-voting period begins on July 26, 2021 at 10:00 A.M. and ends on July 28, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 23, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 23, 2021.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. - 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

- 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.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

- 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***

- Password details for shareholders other than Individual shareholders are given below:

- 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

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

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to 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 1020 990 and 1800 22 44 30 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), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to (cs@aarviencon.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to (cs@aarviencon.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at (cs@aarviencon.com). The same will be replied by the company suitably.
41. 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.

42. 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. July 23, 2021 may obtain their User ID and Password from NSDL helpdesk provided above and vote electronically by following the aforementioned procedure. Any person who is not a member as on the cutoff date shall treat this notice for information purpose only.
43. 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.

July 29, 2021, subject to the receipt of the requisite number of votes.

44. The Scrutinizer shall submit his consolidated report to the Chairman or any person authorized by him. The results shall be announced within 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.aarvienco.com/home/announcements>.

**For and on behalf of
Aarvi Encon Limited
Sd/-**

**Leela Bisht
Company Secretary and Compliance Officer**

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

ITEM NO. 4

RE- APPOINTMENT OF DR. PADMA V. DEVARAJAN (DIN: 08064987) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY:

Dr. Padma V. Devarajan (DIN: 08064987) is an existing Director on the Board of the Company who was appointed as an Independent Director of the Company for a term of 3 years with effect from February 01, 2018 till January 31, 2021. The Board of Directors of the Company, and Nomination and Remuneration Committee on basis of the report of performance evaluation has recommended re-appointment of Dr. Padma V. Devarajan for a second term of 5 consecutive years, on the board of the company.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149 (11) provides that an independent director may hold office for up to two consecutive terms.

Based on the background, experience and contributions made during her tenure, re-appointing her for second term would be beneficial to the Company, accordingly the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended her re-appointment as an Independent Director for a second term of 5 consecutive years commencing from February 01, 2021 to January 31, 2026.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received declaration from her confirming that she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In opinion of the Board, she fulfills the conditions for reappointment as Independent Director.

The Board is of further opinion that she is independent director and possesses appropriate skills, experience and knowledge that will enable her to discharge his duties, roles and function as an Independent Director.

The Company has received notice from a member under Section 160 of the Act proposing her re-appointment as Director.

This notice may be treated as information to the members about her candidature to the office of Directorship of the Company under section 160(2) of the Act read with Rule 13 of the Companies (Appointment and Qualifications

of Directors) Rules, 2014 and disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The notice and terms and conditions of re-appointment of Dr. Padma V. Devarajan along with other relevant documents mentioned herein above, would be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the AGM.

Accordingly, it is proposed to approve the reappointment of Dr. Padma V. Devarajan as a Non-Executive Independent Director for a period of five years commencing from February 1, 2021 and ending on January 31, 2026, not liable to retire by rotation. As per the provisions of the Companies Act, 2013, the reappointment of an independent director of the Company requires approval of the members by special resolution.

A Brief profile and Information Pertaining to Director seeking re-appointment as mentioned under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in **Annexure-A** in this Notice.

Except Dr. Padma V. Devarajan, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

ITEM NO. 5

APPROVAL FOR REMUNERATION OF MR. JAYDEV V. SANGHAVI (DIN: 00759042), EXECUTIVE DIRECTOR & CFO OF THE COMPANY FOR THE FY 2020-21 AND 2021-22.

Mr. Jaydev V. Sanghavi, Promoter Director of Aarvi Encon is serving the Company as Executive Director & CFO.

Mr. Jaydev V. Sanghavi on recommendation of Nomination and Remuneration Committee was re-appointed by the Board as Executive Director of the Company for 5 years w.e.f. July 17, 2017 on the terms, conditions and remuneration as specified in agreement dated July 24, 2017 executed between the Company and Mr. Jaydev V. 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. Jaydev V. Sanghavi, Executive 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 Financial Years i.e. FY 2020-21 and 2021-22. There is no change in the remuneration of Mr. Jaydev V. Sanghavi, Executive Director of the Company for the next two years.

The terms and conditions of the payment in the remuneration as stated in the resolution of the notice in respect of Mr. Jaydev V. Sanghavi may be treated as an abstract under Section 190 of the Companies Act, 2013

A Brief profile and Information Pertaining to Director w.r.t. fixation of remuneration of directors including Executive Director as mentioned under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in **Annexure-A** in this Notice.

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

Rupees in Crore

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Gross Sales & Other Operating Income	204.08	218.64	207.25	175.01
Profit Before Tax	10.30	6.95	10.12	9.54
Profit After Tax	10.46	7.17	8.63	7.77
Paid up Equity Capital (in Numbers)	1,47,84,000	1,47,84,000	1,47,84,000	1,47,84,000
Reserves & Surplus	70.29	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. Jaydev Sanghavi, a Chemical Engineering Graduate from Mumbai University joined Aarvi Encon Pvt. Ltd. 30 years ago. Since then he is handling various assignments as a Business Development Manager, Operations Manager and now Executive Director. He is played a crucial role in developing strategic Business Tie-ups and delivering several large & complex projects successfully. His role in the Company as 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 proposed to be paid to Mr. Jaydev 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. Jaydev 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.

Except Mr. Jaydev V. Sanghavi, Mr. Virendra D. Sanghavi and their relatives, none of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise in the resolution as set out in Item no. 5.

The Board of Directors, hence, recommends the resolution at Item No. 5 of the Notice for the approval of the members by way of Special Resolution

ITEM NO. 6:

APPROVAL OF REMUNERATION PAYABLE TO DIRECTOR UNDER REG. 17 OF SEBI (LODR) REG, 2015.

In accordance with the provision of Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to Executive Directors who are promoters or members of the promoter Group, shall be subject to the approval of the shareholders by special resolution if:

- a) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

At present, on Board of Directors of the Company, there are two Executive Directors i.e. Mr. Virendra D. Sanghavi, Managing Director and Mr. Jaydev V. Sanghavi, Executive Director, both belonging to the Promoter and Promoter Group.

The shareholders have approved remuneration payable to Mr. Virendra D. Sanghavi, Managing Director on September 22, 2020 for the Financial Year 2020-21 and 2021-22 within the limits as prescribed at that time as per Companies Act, 2013.

Approval of shareholders for remuneration payable to Mr. Jaydev V. Sanghavi for the Financial Year 2020-21 and 2021-22 within the limits as prescribed at that time as per Companies Act, 2013 will be taken at ensuing Annual General Meeting.

Aforesaid limits as per Companies Act, 2013 is in excess of prescribed threshold limits of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of re-appointment of Executive Directors including remuneration payable to them till the expiry of their respective term in order to comply with the Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the company has approved the above proposal at their meeting held June 3, 2021.

A Brief profile and Information Pertaining to remuneration of Managing Director and Executive Director Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in **Annexure-A** in this Notice

Except Mr. Jaydev V. Sanghavi, Mr. Virendra D. Sanghavi and their relatives, none of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the resolution, financially or otherwise, as set out in Item No. 6.

The Board recommends the resolution at Item No. 6 of the Notice for the approval of the members by way of Special Resolution.

**By Order of the Board of Directors
AARVI ENCON LIMITED**

Sd/-

Leela S. Bisht

Company Secretary & Compliance Officer

Date: 3rd June, 2021

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; cs@aarviencon.com

Website: www.aarviencon.com

ANNEXURE A

Details of Director seeking appointment / re-appointment/ fixation of remuneration at the 33RD Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SS-2]

Name of the Director	Mr. Virendra D. Sanghavi	Mr. Jaydev V. Sanghavi	Dr. Padma V. Devarajan
DIN	00759176	00759042	08064987
Age	79 years	50 years	61 years
Date of Birth	29/09/1942	17/05/1971	09/04/1960
Nationality	Indian	Indian	Indian
Qualifications	Chemical Engineering Graduate from UDCT (Now Institute of Chemical Technology)	Chemical Engineering Graduate from Mumbai University.	Ph.D (Tech)
Experience including expertise in specific functional areas / Brief Resume	He is a Chemical Engineering Graduate from UDCT (Now Institute of Chemical Technology) & More than 48 years experience and excellent track record in design, development, construction and operation of process plants in India and Internationally. Previously working with various Engineering, Lubricant, Petrochemical, and Pharmaceutical companies such as Merck Sharp & Dohme India Ltd. 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.	He is a Chemical Engineering Graduate from Mumbai University joined Aarvi Encon Pvt. Ltd. In 1992. Since then he has handled various assignments as a Project Coordinator, Business Development Manager, General Manager (Operations) 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. He 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. He has more than 25 years of experience in Sales, Marketing, Operations and Finance.	She is a Professor in Pharmacy and former Head, Department of Pharmaceutical Sciences and Technology at the Institute of Chemical Technology (ICT), Mumbai. She is consultant to the Pharmaceutical and Allied Industry both national and international, and also on the Advisory board of Pharmaceutical Companies. She has served as Board Member, Member on the Board of Scientific Advisors, and Chair of the Young Scientist Mentor Protégé Subcommittee of the Controlled Release Society Inc., USA and Chair- Outstanding Paper Award Committee, Drug Development and Translational research. Mention experience in years as well.
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, 2017 and Members Resolution dated July 24, 2017.	As per the Board Resolution dated July 17, 2017 and Members Resolution dated July 24, 2017.	Terms of appointment are as per the provisions of the Companies Act, 2013. Sitting Fees for attending Board and Committee Meetings are paid as per provisions of the Companies Act, 2013.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)	

date of first appointment on the Board	December 03, 1987	November 09, 2005	February 01, 2018
Shareholding in the company	75,95,000 shares (51.37 %)	21,82,500 (14.76%)	Nil
relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the father of Mr. Jaydev V. Sanghavi, Executive Director of the Company. Except Mr. Jaydev V. Sanghavi, he is not related to any other director and/or KMP of the company.	He is the son of Mr. Virendra D. Sanghavi, Managing Director of the Company. Except Mr. Virendra D. Sanghavi, he is not related to any other director and/or KMP of the company.	Does not hold any relationship with other Board of Directors and Key Personnel of the Company Managerial Personnel 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 2020-21.	There were total 4 (four) board meetings held during the year. He has attended all the board during the FY 2020-21.	There were total 4 (four) board meetings held during the year. She has attended all the board during the FY 2020-21.
Justification for re-appointment as Independent Directors	-	-	Independent of the management and possesses appropriate skills, experience and knowledge.
Other Directorships, Membership / Chairmanship of Committees of other Boards * * Directorships include directorships of other Indian Public Companies and Committee memberships include only Audit Committee and Stakeholders' Relationship Committee (whether listed or not)	He is a Director in the following Companies: 1. Aarvi Engineering & Consultants Pvt. Ltd.	He is a Director in the following Companies: 1. Process Plant And Machinery Association of India 2. Aarvi Engineering & Consultants Pvt. Ltd. 3. Beetle Ventures Private Limited 4. Energyjobz Services Private Limited	-

**For and on behalf of
Aarvi Encon Limited**

**Sd/-
LEELA S. BISHT
COMPANY SECRETARY AND COMPLIANCE OFFICER**



Engineering • Manpower • Outsourcing

Talent on Demand



Annual Report 2020-21

Awards/Accolades

Aarvi Encon Limited has been recognised as the Leading Technical Staffing Company during MSME West 2020 Industry Leaders Event organized by Economic Times to felicitate the Business Entrepreneurs for their achievement through intelligence, smart & hard work.



Certificate of Recognition has been awarded to Mr. Jaydev V. Sanghavi, Executive Director & CFO of the Company.

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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

Leela Bisht*

*Appointed w.e.f. June 3, 2021

BANKERS:-

Yes Bank

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 - Member^^

Mrs. Padma Devarajan - Member^^

Mr. Sharad S. Sanghi - Member^^

^Mr. Devendra J. Shrimanker relieved from the committee from February 11, 2021.

^^ Mrs. Padma Devarajan and Mr. Sharad Sanghi joined as a member of the Committee from February 11, 2021.

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

Board of Directors



Sharad Sanghi
Independent Director



Padma V. Devarajan
Independent Director



Sonal N. Doshi
Independent Director

Managing Director's Message

FY - 2020-2021



Virendra Sanghavi
Managing Director

Dear Shareholders,

It gives me immense pleasure to present you the 33rd Annual Report on the key developments and financial performance of your company for the FY 2020-21. I trust your family and you are keeping well in the midst of unprecedented pandemic COVID-19. India and many other parts of the world are in the grip of second or even third waves of the pandemic, much fiercer than anything we saw last year. The Government and every sector of Economy is fighting to revive and rebuild the economy in this challenging situation.

You will be glad to know that your Company performed satisfactorily for the FY 2020-21. This is the Fourth (4th) year after your Company went public and got listed on the National Stock Exchange of India Ltd., initially on the SME Emerge growth platform and subsequent migration to the Main Board of NSE India Ltd. on June 24, 2020.

In current year i.e. FY 2020-21, your company's standalone turnover stands at Rs. 189.66 crores as against Rs. 191.21 crores in the previous year i.e. FY 2019-20 showing sustainability and stable growth as compared to the previous year. Net profit of the Company stands at Rs. 8.65 crores in the FY 2020-21 as against Rs. 3.78 crores in the previous FY 2019-20 which shows tremendous increase in the profits due to increase in operational, decrease in the Finance Cost, and increase in the other income of the Company. The Net Profit Ratio of your Company stands at 4.56% in the current year as against 1.98% in the previous year.

On Consolidated side, The Company has achieved turnover of Rs. 201.79 crores and Net profit of Rs. 10.46 crores in the Current Year.

The Company has been rated as SME-1 by CRISIL for 'Highest Credit Worthiness' for 14th 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.

After successful implementation of UAE branch, your Company evaluated opportunities in Oman, Indonesia, Kuwait, Africa and Qatar for extending the Company's services in those Countries as well. I am glad to announce that your Company has opened up a step down subsidiary in Oman through its wholly owned subsidiary Aarvi Encon FZE located at UAE by the name of Aarvi Encon LLC by entering into Joint Venture with a local partner in Oman.

The Company is currently evaluating opportunity in Indonesia & Malaysia as well and opening up of Branch office in Indonesia is also in process and we expect it to be done and operational in the upcoming year i.e. FY 2021-22.

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 its employees to practice work from home till the situation gets stabilized or improve.

The country is currently suffering from the 2nd wave of COVID-19 and due to which state wise lock down has been imposed in the different states of the Country and this situation may cause delay in income accrual in near future. The Company is closely monitoring the situation and will take the action accordingly.

Your Company has spent Rs. 32.41 Lakhs towards CSR activities across the country by channelizing the fund and making expenditure on Project / Activity which:

- Promotes Education among children, women, differently abled people etc.,
- Eradicating hunger & promoting preventive health care,

Your Company has provided various medical support to the needy people, supported many educational institutes, made donations towards eradication of hunger of needy people suffered due to Covid-19 etc.

The Board has proposed dividend of 15% i.e. Re. 1.50/- per equity share of Rs. 10/- each, subject to the approval of the members of the Company at the ensuing 33rd Annual General Meeting (Fourth AGM Post – IPO of the Company).

Before concluding, I wish to convey my sincere thanks to the Management and the entire Board for their continued strong and unequivocal support.

I would also like to thank and acknowledge the continued co-operation, trust and support of the shareholders, employees and consultants and expect the coming years to be more rewarding as well.

Your Sincerely

Sd/-
VIRENDRA D. SANGHAVI
Managing Director

Executive Director's Message

FY - 2020-2021



Jaydev V. Sanghavi
Executive Director

Dear Shareholders,

My sincere wishes that each of you is safe and well in these times. I have a great pleasure in welcoming you to the 33rd AGM of Aarvi Encon Ltd. I am grateful to all our valued stakeholders for their faith and continuous support in the Company.

Aarvi has reported a satisfactory performance this year, despite challenges like COVID pandemic, economic environment and operational environment. Our robust service delivery, exceptional value-added services and prudent financial practices significantly contributed to the growth.

Year-on-year basis, our total income on consolidated basis has slightly decreased from Rs. 218.64 Crores in FY'20 to Rs. 204.10 crores in FY'21. Our EBITDA stood at Rs. 9.6 crores in FY'21 as

compared to Rs. 9.2 crores in FY'20, registering a growth of 4.3% over previous year. Our PAT Increased from Rs. 7.2 crores in FY'20 to Rs. 10.5 Crores in FY'21, witnessing growth of 45.8% YoY. Our margins across operations continued to be strong and EBITDA margin grew by 54 bps to 4.33% in FY'21.

There had been reduction in Operating Revenue for the year, mainly due to COVID 19 situation where Lock down was imposed in entire nation which resulted decrease in economic and operational environment.

Major Highlights for the year are as follows:

- Company has signed more than 15 new clients
- Company has signed long term contract with clients for O&M
- Deputation Head count increased by 10%
- Received large Income Tax refund orders
- Company has set up office in Oman
- Kolkata office was operational

Your company is one of the largest in secondment of Technical Manpower and have served multiple industries like oil & gas, power, LNG, CNG/ PNG, refinery, petrochemical, pipeline, Renewable energy offshore, E&P, infrastructure, ports & terminals, telecom, fertilizers, cement, Infrastructure metals and minerals, information technology.

The Company has utilized Cash Credit limit of Rs. 3.52 Cr in FY 20-21 against Rs. 8.74 Cr in FY 19-20 and thus resulted in decrease in finance cost from Rs. 1.60 Cr in previous year to Rs. 0.56 Cr in current year.

During this financial year 2020 – 21, in order to expand the network in Eastern

India, Company opened a branch at Kolkata. Internationally, the Company has incorporated a step down subsidiary "Aarvi Encon LLC" at Oman through its wholly owned subsidiary Aarvi Encon FZE in the United Arab Emirates. Similarly the Company is in process to incorporate its Second Step down Subsidiary by the name of "Aarvi Encon Services" at Indonesia to expand the network in South East Asia as well.

We are keen to start our UK operation and will be on boarding local manager to take care of the UK operations.

We are optimistic that your company will show significant growth in coming years.

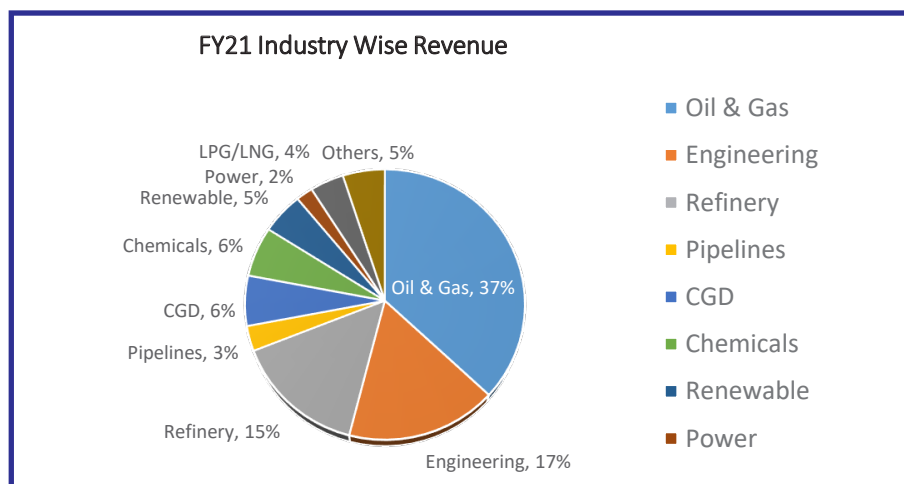
Thank you once again for your support, guidance and being part of Aarvi Family, Stay safe.

With Warm Regards,

Sd/-

Jaydev Sanghavi
Executive Director &
Chief Financial Officer

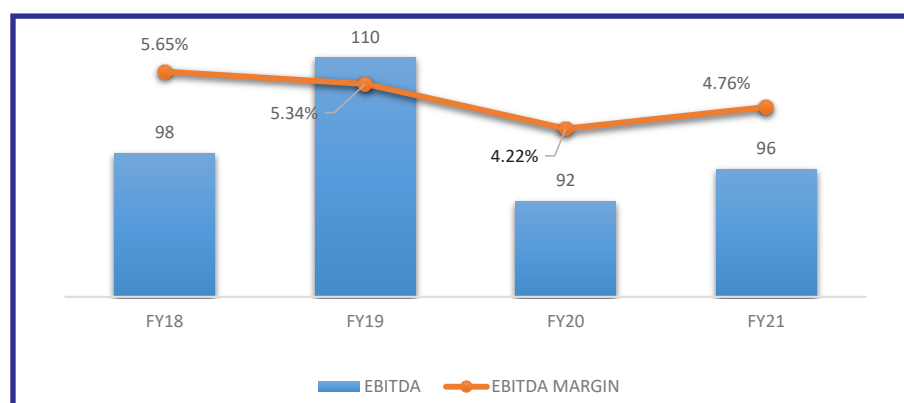
REVENUE CLASSIFICATION ON THE BASIS OF INDUSTRY TYPE



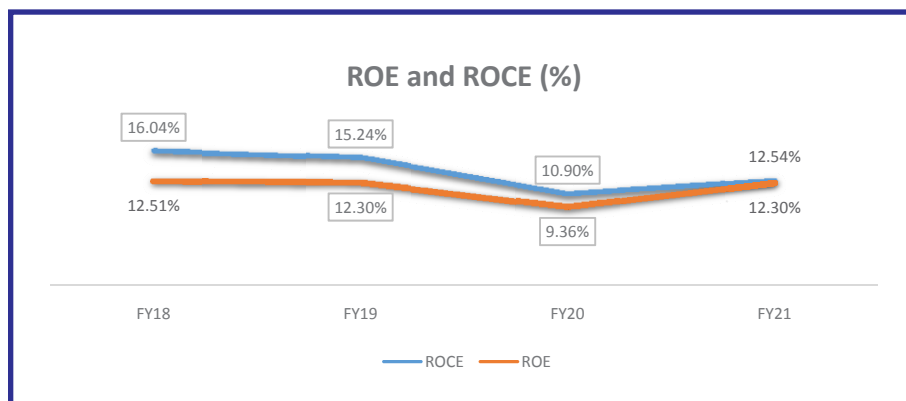
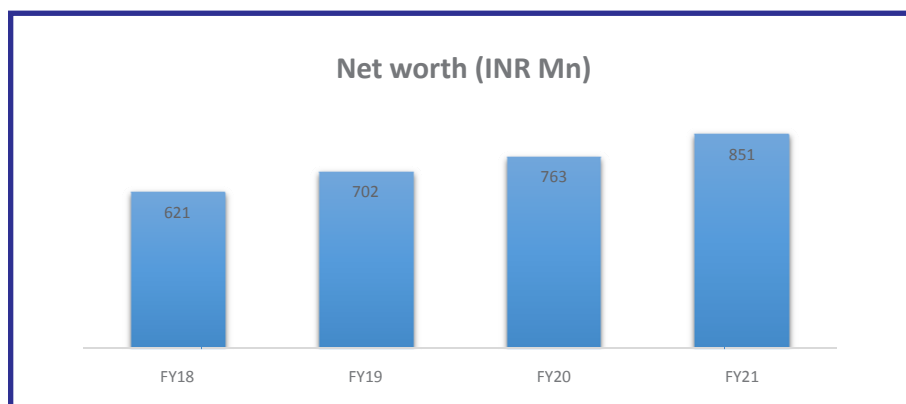
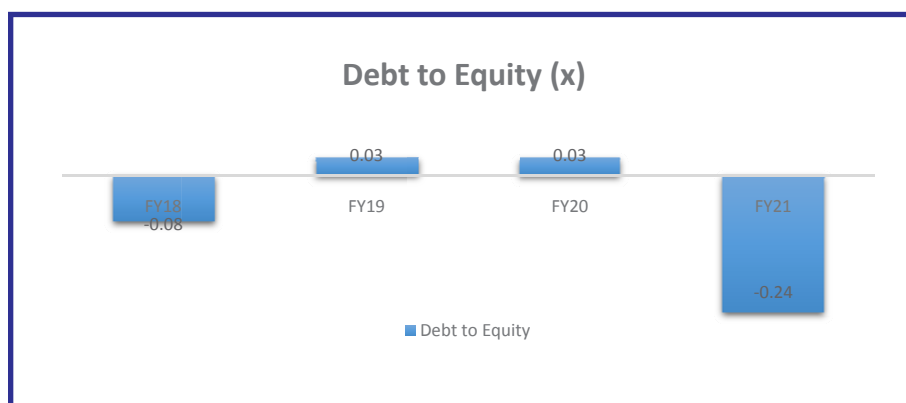
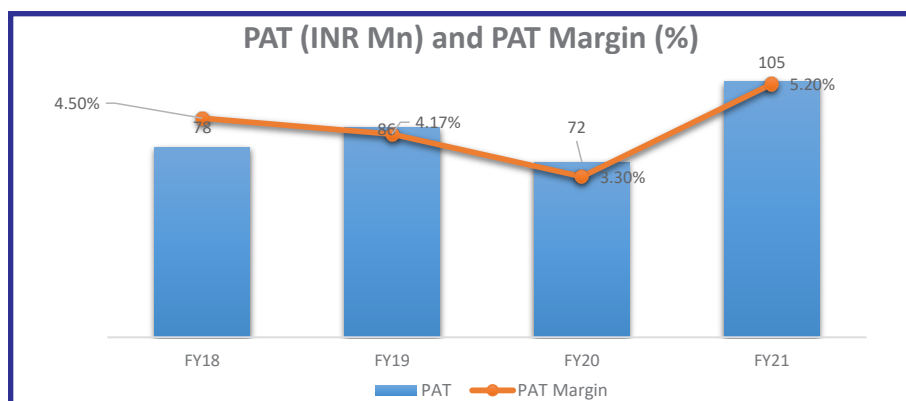
SUSTAINABLE PERFORMANCE & GROWTH



EBITDA (INR Mn) and (EBITDA Margin %)



SUSTAINABLE PERFORMANCE & GROWTH:-



Creating Value for Clients
since 1987



Years of
Delivering Engineering &
Manpower Outsourcing Services.

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 33 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

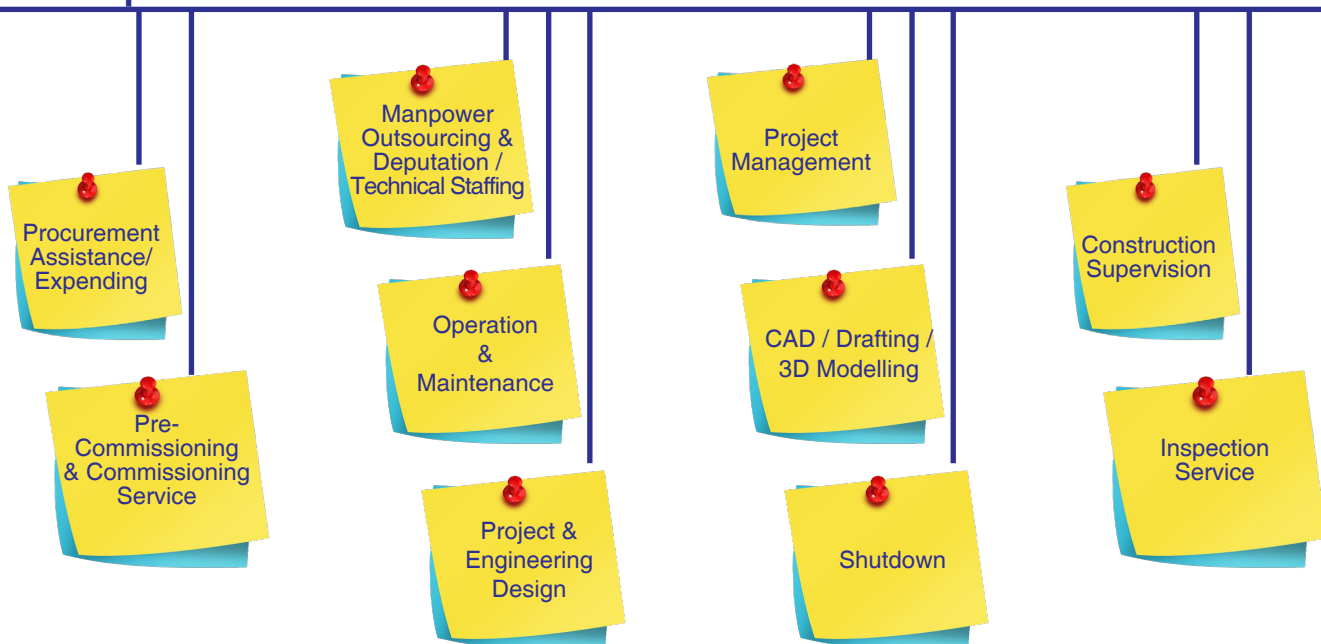
competitive advantage. We have grown steadily under the vision, leadership and guidance of our promoters, Mr. Virendra D. Sanghavi and Mr. Jaydev V. Sanghavi. Our promoters have played a key role in developing our business. Also, they have been assisted by a team of experienced personnel. The team comprises 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.



Area of Expertise



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.

aarvi


Reliance
Petroleum Limited



CRISIL
An S&P Global Company

NSE | Emerge**aarvi****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.

2021

Creating new opportunity internationally by opening branch offices in Oman & Indonesia

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



AARVI has been felicitated for
exemplary contribution being a
SME as a Leading Technical
Staffing Company.



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 33RD ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

Notice is hereby given that Thirty Third Annual General Meeting (Fourth AGM post IPO of the Company) of the members of Aarvi Encon Limited will be held on Thursday, July 29, 2021, via video conference ("VC") / other Audio-Visual means ("OAVM") at 11:00 A.M., to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at B1-603, Marathon Innova, Marathon NextGen, Lower Parel (W), Mumbai – 400013.

ORDINARY BUSINESS:

1. To consider and adopt the:
 - (a) Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon; and
 - (b) Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2021 and the report of Auditors thereon.
2. To Appoint a Director in place of Mr. Virendra D. Sanghavi (DIN: 00759176), Managing Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare dividend of Re. 1.5/- per equity share for the Financial Year ended March 31, 2021.

SPECIAL BUSINESS:

4. **RE-APPOINTMENT OF DR. PADMA V. DEVARAJAN (DIN: 08064987) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 along with applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee, Reappointment of Dr. Padma V. Devarajan (DIN: 08064987), who was appointed as an Independent Director of the

Company and holds office upto January 31, 2021 being eligible for reappointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature as a Director, be and is hereby re-appointed as an Independent Director of the company to hold office for a second term of 5 consecutive years from years commencing from February 01, 2021 to January 31, 2026 and whose office shall not be liable to retire by rotation."

5. **TO APPROVE REMUNERATION OF MR. JAYDEV V. SANGHAVI (DIN: 00759042), EXECUTIVE DIRECTOR & CFO OF THE COMPANY FOR THE FINANCIAL YEAR (FY) 2020-21 AND 2021-22.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution 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), and Regulation 17(6) (e)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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. Jaydev V. Sanghavi (DIN: 00759042) 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. Jaydev V. Sanghavi as Executive 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. Jaydev V. 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.

6. TO APPROVE REMUNERATION PAYABLE TO EXECUTIVE DIRECTORS UNDER REG. 17 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

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

"RESOLVED THAT pursuant to Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Consent of the members of the

Company be and is hereby accorded, for continuation of payment of remuneration exceeding 5% of the net profits of the Company as per the provisions of Section 198 and other applicable provisions of the Companies Act, 2013, for the financial year 2020 - 2021 and 2021 - 2022 to Mr. Virendra Sanghavi, (Chairman and Managing Director) and Mr. Jaydev Sanghavi (Executive Director and; CFO) of the Company.

"RESOLVED FURTHER THAT any Director(s) or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), consider necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

By Order of the Board of Directors

Sd/-

Leela S. Bisht

Company Secretary & Compliance Officer

Date: June 3, 2021

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@aarviencon.com

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto.
2. 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") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) 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, MCA vide its circular dated January 13, 2021 has extended the timeline of the aforesaid circulars to allow companies whose AGM were due to be held in the year 2020 or become due in the year 2021, to conduct their AGM on or before December 31, 2021 in accordance with the aforesaid circulars. Therefore, in compliance with the provisions of the Act and MCA circulars, **SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015** the AGM of the Company is being held through VC / OAVM i.e. without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the aforesaid MCA circulars and SEBI circular the notice of AGM along with Annual Report for the Financial year 2020 - 21 is being sent only through electronic mode to all the members whose email IDs are registered with the Company/ RTA / Depository Participant(s). Members may note that the Notice and Annual report for Financial year 2020-21 will also be available on the company's website i.e. www.aarviencon.com and on the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and is also available on the website of NSDL (agency providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
3. 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 without any fee from the date of circulation of this Notice up to the date of AGM. Any member seeking inspection of such documents may write an email to cs@aarviencon.com.
4. The Members, desiring any information relating to the accounts, are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. Members who hold shares physically and who have not registered / updated their email address with the Company are requested to register/ update the same by sending an email with a copy of self-attested PAN, and self-attested copy of any document such as Aadhaar Card, Passport, Driving License, Election identity Card, etc. in support of the registered address of the member and folio number at cs@aarviencon.com. 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 send you the quarterly reports and other communications via email.
6. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company scanned copies of the Board Resolution/ Letter of Authorisation / Power of Attorney pursuant to section 113 of the Companies Act 2013 together with their specimen signature authorizing their representative to attend and vote at this AGM through VC / OAVM and vote on their behalf at the meeting or through remote e-voting.
7. To prevent fraudulent transactions, the identity/ signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company 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.
8. 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.

9. Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 A” to the notice and forms integral part of the notice. The Directors have furnished the requisite declarations.
10. Non-resident Indian members are requested to inform the Company on cs@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.
11. 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.
12. 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 July 2, 2021.
13. Pursuant to provisions of the Companies Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company, however this 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.
14. The AGM will be held through Video Conference / Other Audio Visual Means (VC / OAVM), therefore the route map of the venue of the Meeting and attendance slip is not required to be annexed in this Notice.
15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
16. The dividend on equity shares as recommended by the Board of Directors, if declared, at the AGM shall be paid to the members whose names are registered

in the Register of Members / Beneficial owners as on July 17, 2021. Members may please note for shares held in electronic form and / or physical form, complete the bank details as registered with the depository participants / Company as the same 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.

17. As per SEBI Circular dated 20 April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the shareholders required for this purpose are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the shareholders.
18. To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change of address or particulars of their bank account, if any, to share transfer agent investor@bigshareonline.com and to their respective depository participants.
19. 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. July 29, 2021. 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.
20. Members are requested to note that dividend which has been declared but not paid and / or not claimed within thirty days from declaration shall be transferred to “Unpaid Dividend Account” of the Company within 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 (IEPF).
21. 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.

22. As mandated by SEBI, effective from April 1, 2019 securities of listed companies shall be transferred only in dematerialized form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize share(s) held by them in physical form.
23. Members who wish to claim dividend, which remain unclaimed, are requested to correspond with the Registrar and Share Transfer Agent of the Company viz. M/s. Bigshare Services Private Limited, at their registered address or email id: Vinayak@bigshareonline.com; investor@bigshareonline.com.

The details of the un-encashed /unclaimed above-mentioned Dividend are as under:

Dividend for the Financial Year	Unclaimed / Un-encashed Dividend as on March 31, 2021 (in Rs.)	Due date of transfer to Investor Education and Protection Fund
2017-18	10,000/-	August 31, 2025
2018-19	24,000/-	August 06, 2026
2019-20	11,700/-	September 22, 2027

24. 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:

25. The Company has obtained services from National Security Depository Limited (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 WebEx for ease of participation.
26. 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.

27. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
28. 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 by following the procedure mentioned in the Notice.
29. Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request in advance atleast 3 (three) days prior to Meeting i.e. on or before Monday, 26th July, 2021 mentioning their name, demat account number/folio number, email id, mobile number at cs@aarviencon.com. The Members who do not wish to speak during the AGM but have queries may send their queries in advance atleast 5 (five) days prior to Meeting i.e. on or before Saturday, 24th July, 2021 mentioning their name, demat account number/folio number, email id, mobile number at cs@aarviencon.com. These queries will be replied to by the Company suitably by email. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the Meeting. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

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

30. 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 remote 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 July 26, 2021 to 05:00 P.M (IST) on July 28, 2021.
31. 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.

32. A person, whose name is recorded in Register of Members or in Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut – off date which is July 23, 2021 shall be entitled to avail the facility of remote e-voting/ e-voting at the AGM. 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.
33. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in (email id of NSDL). Any person who is not a member as on the cut-off date shall treat this notice for information purpose only.
34. 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.
35. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
36. 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.
37. 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.
38. In accordance with the MCA and SEBI circulars, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith),

such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

39. 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.
40. Procedure and instructions of remote e-voting are detailed below:

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

The remote e-voting period begins on July 26, 2021 at 10:00 A.M. and ends on July 28, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 23, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 23, 2021.

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

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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. - 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. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store   Google Play 
Individual Shareholders holding securities in demat mode with CDSL	- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. - After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. - If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

- 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.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

- 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***

- Password details for shareholders other than Individual shareholders are given below:

- 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

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

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to 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 1020 990 and 1800 22 44 30 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), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to (cs@aarviencon.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) to (cs@aarviencon.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at (cs@aarviencon.com). The same will be replied by the company suitably.
41. 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.

42. 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. July 23, 2021 may obtain their User ID and Password from NSDL helpdesk provided above and vote electronically by following the aforementioned procedure. Any person who is not a member as on the cutoff date shall treat this notice for information purpose only.
43. 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.

July 29, 2021, subject to the receipt of the requisite number of votes.

44. The Scrutinizer shall submit his consolidated report to the Chairman or any person authorized by him. The results shall be announced within 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.aarvienco.com/home/announcements>.

**For and on behalf of
Aarvi Encon Limited
Sd/-**

**Leela Bisht
Company Secretary and Compliance Officer**

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

ITEM NO. 4

RE- APPOINTMENT OF DR. PADMA V. DEVARAJAN (DIN: 08064987) AS A NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY:

Dr. Padma V. Devarajan (DIN: 08064987) is an existing Director on the Board of the Company who was appointed as an Independent Director of the Company for a term of 3 years with effect from February 01, 2018 till January 31, 2021. The Board of Directors of the Company, and Nomination and Remuneration Committee on basis of the report of performance evaluation has recommended re-appointment of Dr. Padma V. Devarajan for a second term of 5 consecutive years, on the board of the company.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149 (11) provides that an independent director may hold office for up to two consecutive terms.

Based on the background, experience and contributions made during her tenure, re-appointing her for second term would be beneficial to the Company, accordingly the Nomination and Remuneration Committee and the Board of Directors of the Company have recommended her re-appointment as an Independent Director for a second term of 5 consecutive years commencing from February 01, 2021 to January 31, 2026.

She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received declaration from her confirming that she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In opinion of the Board, she fulfills the conditions for reappointment as Independent Director.

The Board is of further opinion that she is independent director and possesses appropriate skills, experience and knowledge that will enable her to discharge his duties, roles and function as an Independent Director.

The Company has received notice from a member under Section 160 of the Act proposing her re-appointment as Director.

This notice may be treated as information to the members about her candidature to the office of Directorship of the Company under section 160(2) of the Act read with Rule 13 of the Companies (Appointment and Qualifications

of Directors) Rules, 2014 and disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The notice and terms and conditions of re-appointment of Dr. Padma V. Devarajan along with other relevant documents mentioned herein above, would be available for inspection by the shareholders at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days from the date hereof up to the date of the AGM.

Accordingly, it is proposed to approve the reappointment of Dr. Padma V. Devarajan as a Non-Executive Independent Director for a period of five years commencing from February 1, 2021 and ending on January 31, 2026, not liable to retire by rotation. As per the provisions of the Companies Act, 2013, the reappointment of an independent director of the Company requires approval of the members by special resolution.

A Brief profile and Information Pertaining to Director seeking re-appointment as mentioned under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in **Annexure-A** in this Notice.

Except Dr. Padma V. Devarajan, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

ITEM NO. 5

APPROVAL FOR REMUNERATION OF MR. JAYDEV V. SANGHAVI (DIN: 00759042), EXECUTIVE DIRECTOR & CFO OF THE COMPANY FOR THE FY 2020-21 AND 2021-22.

Mr. Jaydev V. Sanghavi, Promoter Director of Aarvi Encon is serving the Company as Executive Director & CFO.

Mr. Jaydev V. Sanghavi on recommendation of Nomination and Remuneration Committee was re-appointed by the Board as Executive Director of the Company for 5 years w.e.f. July 17, 2017 on the terms, conditions and remuneration as specified in agreement dated July 24, 2017 executed between the Company and Mr. Jaydev V. 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. Jaydev V. Sanghavi, Executive 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 Financial Years i.e. FY 2020-21 and 2021-22. There is no change in the remuneration of Mr. Jaydev V. Sanghavi, Executive Director of the Company for the next two years.

The terms and conditions of the payment in the remuneration as stated in the resolution of the notice in respect of Mr. Jaydev V. Sanghavi may be treated as an abstract under Section 190 of the Companies Act, 2013

A Brief profile and Information Pertaining to Director w.r.t. fixation of remuneration of directors including Executive Director as mentioned under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in **Annexure-A** in this Notice.

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

Rupees in Crore

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Gross Sales & Other Operating Income	204.08	218.64	207.25	175.01
Profit Before Tax	10.30	6.95	10.12	9.54
Profit After Tax	10.46	7.17	8.63	7.77
Paid up Equity Capital (in Numbers)	1,47,84,000	1,47,84,000	1,47,84,000	1,47,84,000
Reserves & Surplus	70.29	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. Jaydev Sanghavi, a Chemical Engineering Graduate from Mumbai University joined Aarvi Encon Pvt. Ltd. 30 years ago. Since then he is handling various assignments as a Business Development Manager, Operations Manager and now Executive Director. He is played a crucial role in developing strategic Business Tie-ups and delivering several large & complex projects successfully. His role in the Company as 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 proposed to be paid to Mr. Jaydev 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. Jaydev 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.

Except Mr. Jaydev V. Sanghavi, Mr. Virendra D. Sanghavi and their relatives, none of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise in the resolution as set out in Item no. 5.

The Board of Directors, hence, recommends the resolution at Item No. 5 of the Notice for the approval of the members by way of Special Resolution

ITEM NO. 6:

APPROVAL OF REMUNERATION PAYABLE TO DIRECTOR UNDER REG. 17 OF SEBI (LODR) REG, 2015.

In accordance with the provision of Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the fees or compensation payable to Executive Directors who are promoters or members of the promoter Group, shall be subject to the approval of the shareholders by special resolution if:

- a) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
- b) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity.

At present, on Board of Directors of the Company, there are two Executive Directors i.e. Mr. Virendra D. Sanghavi, Managing Director and Mr. Jaydev V. Sanghavi, Executive Director, both belonging to the Promoter and Promoter Group.

The shareholders have approved remuneration payable to Mr. Virendra D. Sanghavi, Managing Director on September 22, 2020 for the Financial Year 2020-21 and 2021-22 within the limits as prescribed at that time as per Companies Act, 2013.

Approval of shareholders for remuneration payable to Mr. Jaydev V. Sanghavi for the Financial Year 2020-21 and 2021-22 within the limits as prescribed at that time as per Companies Act, 2013 will be taken at ensuing Annual General Meeting.

Aforesaid limits as per Companies Act, 2013 is in excess of prescribed threshold limits of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. This necessitates seeking fresh approval of the shareholders by way of special resolution for retaining all existing terms and conditions of re-appointment of Executive Directors including remuneration payable to them till the expiry of their respective term in order to comply with the Regulation 17(6)(e) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the company has approved the above proposal at their meeting held June 3, 2021.

A Brief profile and Information Pertaining to remuneration of Managing Director and Executive Director Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are given in **Annexure-A** in this Notice

Except Mr. Jaydev V. Sanghavi, Mr. Virendra D. Sanghavi and their relatives, none of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the resolution, financially or otherwise, as set out in Item No. 6.

The Board recommends the resolution at Item No. 6 of the Notice for the approval of the members by way of Special Resolution.

By Order of the Board of Directors
AARVI ENCON LIMITED

Sd/-

Leela S. Bisht

Company Secretary & Compliance Officer

Date: 3rd June, 2021

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; cs@aarvienon.com

Website: www.aarvienon.com

ANNEXURE A

Details of Director seeking appointment / re-appointment/ fixation of remuneration at the 33RD Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SS-2]

Name of the Director	Mr. Virendra D. Sanghavi	Mr. Jaydev V. Sanghavi	Dr. Padma V. Devarajan
DIN	00759176	00759042	08064987
Age	79 years	50 years	61 years
Date of Birth	29/09/1942	17/05/1971	09/04/1960
Nationality	Indian	Indian	Indian
Qualifications	Chemical Engineering Graduate from UDCT (Now Institute of Chemical Technology)	Chemical Engineering Graduate from Mumbai University.	Ph.D (Tech)
Experience including expertise in specific functional areas / Brief Resume	He is a Chemical Engineering Graduate from UDCT (Now Institute of Chemical Technology) & More than 48 years experience and excellent track record in design, development, construction and operation of process plants in India and Internationally. Previously working with various Engineering, Lubricant, Petrochemical, and Pharmaceutical companies such as Merck Sharp & Dohme India Ltd. 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.	He is a Chemical Engineering Graduate from Mumbai University joined Aarvi Encon Pvt. Ltd. In 1992. Since then he has handled various assignments as a Project Coordinator, Business Development Manager, General Manager (Operations) 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. He 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. He has more than 25 years of experience in Sales, Marketing, Operations and Finance.	She is a Professor in Pharmacy and former Head, Department of Pharmaceutical Sciences and Technology at the Institute of Chemical Technology (ICT), Mumbai. She is consultant to the Pharmaceutical and Allied Industry both national and international, and also on the Advisory board of Pharmaceutical Companies. She has served as Board Member, Member on the Board of Scientific Advisors, and Chair of the Young Scientist Mentor Protégé Subcommittee of the Controlled Release Society Inc., USA and Chair- Outstanding Paper Award Committee, Drug Development and Translational research. Mention experience in years as well.
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, 2017 and Members Resolution dated July 24, 2017.	As per the Board Resolution dated July 17, 2017 and Members Resolution dated July 24, 2017.	Terms of appointment are as per the provisions of the Companies Act, 2013. Sitting Fees for attending Board and Committee Meetings are paid as per provisions of the Companies Act, 2013.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)	

date of first appointment on the Board	December 03, 1987	November 09, 2005	February 01, 2018
Shareholding in the company	75,95,000 shares (51.37 %)	21,82,500 (14.76%)	Nil
relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the father of Mr. Jaydev V. Sanghavi, Executive Director of the Company. Except Mr. Jaydev V. Sanghavi, he is not related to any other director and/or KMP of the company.	He is the son of Mr. Virendra D. Sanghavi, Managing Director of the Company. Except Mr. Virendra D. Sanghavi, he is not related to any other director and/or KMP of the company.	Does not hold any relationship with other Board of Directors and Key Personnel of the Company Managerial Personnel 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 2020-21.	There were total 4 (four) board meetings held during the year. He has attended all the board during the FY 2020-21.	There were total 4 (four) board meetings held during the year. She has attended all the board during the FY 2020-21.
Justification for re-appointment as Independent Directors	-	-	Independent of the management and possesses appropriate skills, experience and knowledge.
Other Directorships, Membership / Chairmanship of Committees of other Boards * * Directorships include directorships of other Indian Public Companies and Committee memberships include only Audit Committee and Stakeholders' Relationship Committee (whether listed or not)	He is a Director in the following Companies: 1. Aarvi Engineering & Consultants Pvt. Ltd.	He is a Director in the following Companies: 1. Process Plant And Machinery Association of India 2. Aarvi Engineering & Consultants Pvt. Ltd. 3. Beetle Ventures Private Limited 4. Energyjobz Services Private Limited	-

**For and on behalf of
Aarvi Encon Limited**

**Sd/-
LEELA S. BISHT
COMPANY SECRETARY AND COMPLIANCE OFFICER**

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting the 33rd 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, 2021. 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 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). The Trading in the Equity Shares of the Company has been migrated from SME EMERGE platform to Main Board of NSE w.e.f. 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, 2021 and the corresponding figures for the previous year are as under:

Particulars	Consolidated (Rs.in Crores)		Standalone (Rs.in Crores)	
	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2021	Year ended 31st March, 2020
Net Revenue from Operations	201.78	218.05	189.65	191.21
Other Income	2.30	0.60	2.28	0.62
Total Income	204.08	218.65	191.93	191.83
Total Expenditure	193.78	211.70	183.42	188.27
Profit before tax	10.30	6.95	8.51	3.56
Current Tax	-	0.64	-	0.64
Short/Excess Provision for Tax	(0.98)	(0.37)	(0.97)	(0.37)
Deferred Tax	0.82	(0.49)	0.83	(0.49)
Profit after taxes	10.46	7.17	8.65	3.78

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

The audited financial statements both standalone and consolidated for the year ended on March 31, 2021, have been prepared in compliance with the Companies Act, 2013 (the 'Act') applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, and are disclosed in accordance with Schedule III of the Act. The consolidated financial statements incorporate the audited financial statements of the subsidiaries as approved by their respective Board of Directors.

As mandated by the Ministry of Corporate Affairs,

the audited financial statements both standalone and consolidated for the year ended on March 31, 2021 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"), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. 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, 2021. The Notes to the Financial Statements adequately cover the standalone and

consolidated Audited Statements and form an integral part of this Report.

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS / STATE OF AFFAIRS:

Your Directors wish to present details of Business Operations done during the year under review:

STANDALONE PERFORMANCE

The Company has reported stable performance in revenue during FY 2020-21. Revenue from operations at Rs. 189.65/- Cr. as against Rs. 191.21/- Cr. of previous year which slightly decreased by 0.82% year on year, reflecting satisfactorily results in key markets and segments. Operating profit at Rs. 8.65/- Cr. as against Rs. 3.78/- Cr. of previous year witnessing tremendous increase of 128.83% year on year.

CONSOLIDATED PERFORMANCE

Your Company has reported growth in revenue for the year ended on 31st March 2021. Revenue from operations at Rs. 201.78/- Cr. as against Rs. 218.05/- Cr. of previous year reflecting the decrease in the growth than the previous year performance in key markets and segments. Operating profit at Rs. 10.46/- Cr. as against Rs. 7.17/- Cr. of previous year.

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.

COMPANY'S RESPONSE TO COVID -19: Your Company has performed satisfactorily during this pandemic situation. Moreover the Company has also done some philanthropy activities and help the Society by way of CSR activities and granted donations. The Company has provided work from home facilities to the employees. The Company has also Taken COVID Insurance / medi-claim for Employees.

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business of the Company during the year under review.

2. SHARE CAPITAL

The Total Paid-up Capital of the Company as on March 31, 2021 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 @15% i.e. Re. 1.50/- per fully paid- up Equity Share of the face value of Rs.10/- subject to the approval of the Members at the ensuing Annual General Meeting, for the financial year ended March 31, 2021.

For March 31, 2020, the dividend paid was Re. 1/-per share of Rs. 10 each (10%) and total dividend and the tax thereon to the extent applicable aggregated to Rs. 1,47,84,000/-

As per the amended Income Tax Act, 1961, hereafter there will be no dividend distribution tax payable by the Company. The dividend, if declared, will be taxable in the hands of the shareholders subject to tax deduction at source at the applicable rates. For details, shareholders are requested to refer to the Notice of annual general meeting.

4. RESERVES

The Balance in Reserves & Surplus stands at Rs. 70.29/- Cr. in comparison with the previous year balance of Rs. 61.54/- Cr.

5. SUBSIDIARY COMPANIES

The Company has three subsidiary Companies as on March 31, 2021.

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).

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

During the year under review Aarvi Encon FZE, a wholly owned Subsidiary Company became a material subsidiary of the Company as its network stands more than 10% of the consolidated network 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 Employment 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 along with 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 cash flow 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 2021-22.

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 -1.

Internationally, the Company has incorporated Aarvi Encon LLC a Joint Venture Company incorporated on January 15, 2021 at Sultanate of Oman and PT Aarvi Encon Services a Joint Venture Company incorporated on June 10, 2021 at Jakarta, Indonesia through its wholly owned Subsidiary Aarvi Encon FZE located in the United Arab Emirates. These Companies are yet to start its operations.

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 separate audited financial statements in respect of subsidiaries are available on the website of the Company https://www.aarviencon.com/home/financial_reporting.

COMPANIES WHICH HAVE BECOME OR CEASED SUBSIDIARY COS, ASSOCIATES AND JT VENTURES DURING THE YEAR: NIL

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 and Certificate from a practicing Company Secretary on the Report for financial year 2020-21 is presented in separate section forming part of this Annual Report.

8. DEPOSITS

The Company has not accepted/ 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 OR INVESTMENTS

The particulars of loans given, guarantees provided and investments made have been duly disclosed in the financial statements.

10. RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with Related Parties for the year under review were on arm's length basis and in ordinary course of business and hence not falling under the ambit of Section 188 of the Companies Act, 2013. No Related Party Transactions (RPTs) were entered into by the Company during the financial year, which attracted the provisions of section 188 of the Companies Act, 2013. There being no 'material' related party transactions / contracts / arrangements as defined under regulation 23 of the SEBI LODR Regulations, 2015, there are no details to be disclosed in Form AOC-2 (Annexure-2) in that regard.

All related party transactions are mentioned in the notes to the accounts which sets out related party disclosures.

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 Website of the Company at https://www.aarviencon.com/home/policies_of_the_Company.

During the year 2020-21 pursuant to section 177 of the Companies Act, 2013 and regulation 23 of SEBI LODR Regulations, 2015, all RPTs were placed before the Audit Committee for its approval. 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, 2021 comprises of two Executive Directors out of which one is Managing Director and Four Independent Directors which includes Two Women Directors and the same is disclosed in the Report on Corporate Governance as set out separately in this annual report.

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.

AUDIT COMMITTEE

Pursuant to Section 177 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.	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.

NOMINATION AND REMUNERATION COMMITTEE

In accordance with the provisions of the Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Regulation 19 of the SEBI LODR Regulations, 2015, the Company has constituted Nomination and Remuneration Committee and has formulated “Nomination and Remuneration Policy” containing criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of Companies Act, 2013 for selection of any Director, Key Managerial Personnel and Senior Management Employees.

The said policy is available on the Company’s website and the web link thereto is https://www.aarviencon.com/home/policies_of_the_company.

The details pertaining to composition of the Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the provisions of section 135 of Companies Act, 2013, the composition of the CSR Committee is as under

Sr. No.	Name of the Member	Designation
1.	Mr. Virendra D. Sanghavi	Chairman
2.	Mr. Devendra J. Shrimanker^	Member
3.	Mrs. Sonal N. Doshi	Member
4.	Mrs. Padma V. Devarajan^^	Member
5.	Mr. Sharad S. Sanghi^^	Member

^ Mr. Devendra J. Shrimanker were relieved from his duties as member in the Committee w.e.f February 11, 2021.

^^ Mrs. Padma V. Devarajan and Mr. Sharad S. Sanghi were admitted as Members in the Committee w.e.f February 11, 2021.

The Company's CSR Policy provides guidelines to conduct CSR activities of the Company, which can be accessed on the Company's website at https://www.aarviencon.com/home/policies_of_the_company.

During the year the Company has spent Rs. 32,40,967/- on CSR Activities. In terms of the provisions of the Act read with amended Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Report for the financial year 2020-21 forms part of the Board's Report and is annexed as Annexure 5 to this report.

STAKEHOLDER RELATIONSHIP COMMITTEE

As per the provisions of section 178 of Companies Act, 2013, the composition of the CSR Committee is as under

Sr. No.	Name of the Member	Designation
1.	Mrs. Sonal N. Doshi	Chairman
2.	Mr. Devendra J. Shrimanker	Member
3.	Mr. Jaydev V. Sanghavi	Member

During the year under review, the Company received no complaints from any of its shareholders.

The Company Secretary acts as the Secretary of the Committee.

FINANCE AND MANAGEMENT COMMITTEE

The Board constituted the Finance & Management Committee, in order to have convenience in expediting day to day matters relating to Company's affairs like finance, management etc.

The composition of the Committee as on 31st March, 2021 is as follows:

Sr. No.	Name of the Member	Designation
1.	Mr. Virendra D. Sanghavi	Chairman
2.	Mr. Jaydev V. Sanghavi	Member

The decisions of the Finance & Management Committee are to be ratified in the subsequent Board Meetings.

C. Key Managerial Personnel

Pursuant to the provisions of Section 203 of the

Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company 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.	Ms. Leela S. Bisht	Company Secretary

* Mr. Jay H. Shah resigned from the post of Company Secretary and Compliance Secretary w.e.f. March 8, 2021.

Ms. Leela S. Bisht is appointed as Company Secretary and Compliance Secretary w.e.f. June 3, 2021.

D. Details of Directors who were appointed or have resigned during the year:

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. Virendra D. Sanghavi (DIN: 00759176), Executive Director of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The details of Mr. Virendra D. 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 ensuing Annual General Meeting.

Mr. Sharad Sanghi was appointed as an Additional Independent Director of the Company by the Board with effect from June 03, 2020 whose appointment was further approved as an Independent Director in the Company by the members in its 32nd Annual General Meeting of the Company.

Dr. Padma V. Devarajan's first tenure of 3 consecutive years expired on February 01, 2021 and she was reappointed as an Independent Director of the Company for the second tenure of 5 consecutive years subject to members approval in the upcoming Annual General Meeting of the Company.

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.

Director during the year as a part of remuneration is 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

The Board took on record all declarations and confirmations submitted by Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) and 25 of the SEBI LODR Regulations, 2015 and there has been no change in the circumstances which may affect their status as an independent director during the year..

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.

In the opinion of the Board, the Independent director appointed during the year possesses the requisite expertise and experience, (including proficiency) and are persons of high integrity. They fulfil the conditions specified in the Companies Act, 2013 and the rules made thereunder and independent of the management.

The Independent Directors have also confirmed compliance with the provisions of the rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The details of programme for familiarization of Independent Directors with the Company, nature of industry in which Company operates and related matters are put on website of the Company at <https://www.aarviencon.com/assets/img/familiarization-programme.pdf>

13. Annual Evaluation

The Nomination and Remuneration Committee (NRC) has approved a framework/policy for performance evaluation of the Board, Committees of the Board and the individual members of the Board (including the Chairperson) that includes criteria for performance evaluation, which is reviewed annually by the Committee. A questionnaire for the evaluation of the Board, its Committees and the individual members of the Board (including the Chairperson), designed in accordance with the said framework and covering various aspects of the performance of the Board and its Committees, including composition

and quality, roles and responsibilities, processes and functioning, adherence to Code of Conduct and Ethics and best practices in Corporate Governance as mentioned in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017 was circulated to the Directors.

Pursuant to the provisions of the Act and SEBI LODR Regulations, 2015 and based on policy devised by committee, the board has carried out annual evaluation of its own performance, its committees and individual directors. The board performance was evaluated on inputs received from all the Directors after considering criteria as mentioned aforesaid.

The performance of the committees was evaluated by the Board of Directors on inputs received from all committee members after considering criteria as mentioned aforesaid.

Pursuant to SEBI LODR Regulations, 2015, performance evaluation of independent director was done by the entire board, excluding the independent director being evaluated.

The performance evaluation of non-independent directors and the board as a whole and Chairman of the Board was also carried out by the Independent Directors of the Company through separate meeting on March 19, 2021.

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 met 4 (four) times during the financial year 2020-21. 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, 2021 is unmodified and it does not contain any qualification, reservation or adverse remark.

DETAILS OF FRAUD REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Companies Act, 2013 and rules made thereunder.

B. INTERNAL AUDITOR AND INTERNAL AUDIT SYSTEMS

The 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 M/s. 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 Secretarial Auditor to conduct the Secretarial Audit of the Company for financial year 2020-21 and his Report is annexed to this Board Report.

The Report of the Secretarial Auditor forms part of this Report as **Annexure 3**.

D. Secretarial Compliance Report of Aarvi Encon Limited for the year ended March 31, 2021

Pursuant to circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, issued by Securities and Exchange Board of India (SEBI), The Company has obtained 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>

The observations and comments given by the Secretarial Auditor in their Report are self-explanatory and hence do not call for any further comments.

16. INTERNAL FINANCE CONTROL SYSTEM

The Company has adequate internal financial control system commensurate with the size, scale and complexity of its operations. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigation action on continuing basis. These are routinely tested and certified by Statutory as well as Internal Auditors. The audit observations on internal financial controls are periodically reported to the Audit Committee.

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

The Company through its wholly owned Subsidiary Aarvi Encon FZE, UAE has incorporated its Step down Subsidiary "PT Aarvi Encon Service" at Jarkata, Indonesia by entering Joint Venture Agreement where Aarvi Encon FZE holds 49% of Shares.

18. RISK MANAGEMENT

The Company has adopted a draft Risk Management Policy which lays down the framework to define, assess, monitor and mitigate the business, operational, financial and other risks associated with the business of the Company. The Risk Management Policy enables for growth of company by helping its business to identify risks, assess, evaluate and monitor risks continuously and undertake effective steps to manage these risks.

19. 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
3. The Capital Investment on Energy Conservation Equipment.
The Company has not made any capital investment on energy conservation equipment.

B) Technology Absorption

The Company has no activities relating to technology absorption.

C) Foreign Exchange Earnings and Outgo

Particulars	2020-21	2019-20
Foreign Exchange Earnings in terms of actual inflows	NIL	1,44,660/-
Foreign Exchange outgo in terms of actual outflow	4,02,881/-	12,87,013/-

20. 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 i.e. https://www.aarviencon.com/home/vigil_mechanism.

21. INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, 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, other connected employees and other connected persons from trading in the securities of the Company at the time when there is access to Unpublished Price Sensitive Information (UPSI).

22. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on at www.aarviencon.com

23. 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.

24. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub section 3 and 5 of the Section 134 of the Companies Act, 2013, your Company's Directors, based on the representations received from the Management, confirm that

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors 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) The Directors 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) The Directors have prepared the annual accounts on a going concern basis;

- (e) The Directors 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) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. 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.

26. 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.

27. 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 and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

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 2020 - 21:

Name of the Directors	Designation	Remuneration of Directors	Median Remuneration of Employees (₹)	Ratio of median remuneration
Mr. Virendra D. Sanghavi	Managing Director	1,68,00,000	3,60,697	46.58
Mr. Jaydev V. Sanghavi	Executive Director & CFO	1,68,00,000	3,60,697	46.58
Mr. Devendra J. Shrimanker*	Independent Director	-	-	Independent Director
Mrs. Sonal N. Doshi*	Independent Director	-	-	Independent Director
Dr. Padma V. Devarajan*	Independent Director	-	-	Independent Director
Mr. Sharad S. Sanghi*	Independent Director	-	-	Independent Director
Mr. Jay H. Shah#	Company Secretary	4,83,297	3,60,697	1.34
Ms. Leela S. Bisht##	Company Secretary	-	-	NIL

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

Mr. Jay H. Shah, resigned from the post of Company Secretary & Compliance Officer of the Company w.e.f. March 8, 2021.

Ms. Leela S. Bisht was appointed as a Company Secretary & Compliance Officer of the Company w.e.f. June 3, 2021

- (b) Number of employees on the rolls of Company: 4394
- (c) 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:
- (d) 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.
- (e) 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.
- (f) 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 whole time 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
- (g) Names of top 10 employees of Company, who were employed for part of year, was in receipt of remuneration for that period which, in the aggregate, was not less than Eight Lakhs Fifty Thousand Rupees per month: N. A.
- (h) 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 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.

- (i) Provided that the particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month, as the case may be, as may be decided by the Board, shall not be circulated to the members in the Board's report, but such particulars shall be filed with the Registrar of Companies while filing the financial statement and Board Reports: NIL

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

The Company is committed and dedicated in providing a healthy and harassment free work environment to every individual of the Company, a work environment that does not tolerate sexual harassment. We highly respect dignity of everyone involved at our work place, whether they are employees, suppliers or our customers. We require all employees to strictly maintain mutual respect and positive attitude towards each other.

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 of during the year 2020-21.

Number of complaints pending as on the beginning of the financial year – Nil

Number of complaints filed during the financial year- Nil

Number of complaints pending at the end of the financial year- Nil

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

29. HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company

continuously invests 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 and Consultant : 4394

Total Addition in Employees and Consultant during the F.Y 2020-21 : 307

No. of Women Employees during the F.Y 2020-21 : 242

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 https://www.aarviencon.com/home/policies_of_the_company.

30. SECRETARIAL STANDARD

The Directors declares that applicable Secretarial Standard as issued by the Institute of Company Secretaries of India (ICSI) have been duly followed.

31. 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.

32. 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 6

33. 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 2020-21 as set separately in this annual report.

34. AWARDS

In F.Y. 2020-21, the Company received an award from The Economic Times as a Leading Technical Staffing Company.

35. INTERNATIONAL STANDARDS

The Company successfully completed the annual ISO surveillance audit and retained the enterprise-wide ISO certification for ISO 9001:2015 and ISO 45001: 2018.

36. ANNUAL LISTING FEES TO THE STOCK EXCHANGES

Aarvi Encon Limited have listed its equity shares on the Main Board of NSE India Limited. The listing fees have duly paid to the exchange and annual custodial fees has been paid to CDSL and NSDL for the F.Y. 2020 -21.

37. DEPOSITORY SYSTEM

Your Company's equity shares are in demat form

only. The Company has appointed National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) as depositories to the Company.

38. 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.

39. 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: June 03, 2021
Place: Mumbai

ANNEXURE - I**Form AOC -1**

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURE AS PER COMPANIES ACT, 2013

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 31.3.2021					
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-
2	Equity Share Capital	27.07	150000	20	0.09	100
3	Reserve and Surplus	1215.67	-	-	0.01	
4	Total Assets	1400.45	7029521	68.32	0.1	100
5	Total Liabilities	1400.45	7029521	68.32	0.1	100
6	Investments	-	-	-	-	-
7	Revenue from Operation/Total Income / Turnover	1212.66	5994554	-	-	-
8	Profit Before Tax	178.08	880308	1.69	-	-
9	Provision for Tax	-	-	-	-	-
10	Deferred Tax	-	-	-0.79	-	-
11	Profit After Tax	178.08	880308	2.48	-	-
12	Other Comprehensive Income	-35.55	-	-	-	-
13	Total Comprehensive Income	142.53	-	-	-	-
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 and Aarvi Encon LLC, subsidiary of Aarvi Encon FZE and considered as a step down subsidiary of Aarvi Encon Ltd. Apart from this no other JV/ WOS 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 2020-21 . 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 2020-21. 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 2020-21.

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 03, 2021

Place: Mumbai

Annexure III

Form no. MR - 3

Secretarial Audit Report

For The Financial Year Ended 31st March, 2021

[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 March 31, 2021, 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 March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under except delay in filings of e-forms with Ministry of Corporate Affairs for F.Y. 2019-20;
- 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 restrictions imposed by state government, 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 (SEBI Listing Regulations);

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 submitted Outcome of Board meeting held on 30.06.2020 and proceedings of Annual General Meeting beyond the timeline as stated regulation 30 and Schedule III of SEBI Listing Regulations;
- ii. Pursuant to regulation 47 of SEBI Listing Regulations, the Company has published Financial Results for Quarter ended 31.03.2020 in English language in Business Standard, however, it has not published Financial Results in daily newspaper in the language of the region, where the registered office of the listed entity is situated.

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) Appointment of Mr. Sharad Sanghi as an Independent Director of the Company;
- (ii) Payment of Commission to the Whole Time Directors of the Company;
- (iii) Regularization of Remuneration of Whole Time Directors of the Company post Covid 19;
- (iv) Reconstitution of the Corporate Social Responsibility Committee;
- (v) Resignation of Mr. Jay Shah as Company Secretary and Compliance Officer;
- (vi) Declaration of Final Dividend on Equity Shares for F.Y. 2019-20;
- (vii) Approval of members for remuneration of Mr. Virendra D. Sanghavi, Managing Director of the Company for Financial Year 2020-21 & 2021-22;
- (viii) Amendment in CSR Policy of the Company.

For Bhatt & Associates Company Secretaries LLP

Sd/-
Aashish K. Bhatt
Designated Partner
ACS No.: 19639 COP No.: 7023
UDIN: A019639C000418708

Place: Mumbai
Date: 03.06.2021

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. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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

Sd/-

Aashish K. Bhatt

Designated Partner

ACS No.: 19639 COP No.: 7023

UDIN: A019639C000418708

Place: Mumbai

Date: 03.06.2021

Annexure IV
SECRETARIAL COMPLIANCE REPORT OF
AARVI ENCON LIMITED
FOR THE YEAR ENDED 31ST MARCH, 2021

[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, 2021 (“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 30 and Schedule III of SEBI Listing Regulations, Outcome of Board Meeting and Proceedings of Annual General Meeting shall be submitted within 30 minutes and within 24 hours respectively.		The Company has submitted Outcome of Board meeting held on 30.06.2020 and proceedings of Annual General Meeting beyond the timeline as stated in SEBI Listing Regulations.
2.	As per regulation 47 of SEBI Listing Regulations, the listed entity shall publish Financial Results in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the listed entity is situated.		The Company has published Financial Results for Quarter ended 31.03.2020 in English language in Business Standard, however, it has not published Financial Results in daily newspaper in the language of the region, where the registered office of the listed entity is situated.

- 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.
	Nil	Nil	Nil	Nil

- 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... <i>(The years are to be mentioned)</i>	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Necessary actions were taken by the Company w.r.t. observations in previous reports				

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

Place: Mumbai
Date: 03.06.2021

Sd/-
Aashish K. Bhatt
Designated Partner
ACS No.: 19639
UDIN: A019639C000418721

Annexure V
REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FY 2020 -21

1. A brief outline on CSR policy of the Company:

The Company shall decide to undertake any of the CSR activities/ projects as enumerated in Schedule VII of the Companies Act, 2013 or such other CSR activities/ projects as may be notified by Ministry of Corporate Affairs from time to time.

2. Composition of CSR Committee:

Sl. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Virendra D. Sanghavi	Chairperson	4	4
2	Mrs. Sonal N. Doshi	Member	4	4
3	*Mrs. Padma Devarajan	Member	NA	NA
4	*Mr. Sharad S. Sanghi	Member	NA	NA

(* The CSR Committee was reconstituted by the board in it's meeting held on February 11 2021.)

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board is available on the website of the Company at the following links: https://www.aarviencon.com/assets/img/CSR-Policy_Amended-on%2024052019.pdf, <https://www.aarviencon.com/home/committees>.

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

6. Average net profit of the Company as per Section 135(5): (In INR)

Particulars	31-Mar-20	31-Mar-19	31-Mar-18
Profit under section 198	7.09 Cr.	12.89 Cr.	14.34 Cr.

Average net profit: INR. 114,395,203/-

7. (a) Two percent of the average net profit of the Company as per Section 135 (5) : The Company is required to spend INR 22,87,904/- towards CSR.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **NIL**

(c) Amount required to be set off for the financial year, if any- **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c). – **INR 22,87,904/-**.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.): NIL				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
INR 32,40,967/-	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	N.A	N.A	N.A	N.A	N.A

(B) Details of CSR Amount spent against **ongoing projects** for the Financial Year: **Not applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)
Sl. No	Name of the Project or Activity identified	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).
				state	District		
	(8)	(9)	(10)	(11)			
	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency			
				Name	CSR Registration number.		

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SI no.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State.	District			Name.	CSR registration number
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	Mumbai, Maharashtra			51,000	Direct	NA	
2.	Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and sanitation [including contribution to the Swacch Bharat Kosh setup by the Central Government for the promotion of sanitation] and making available safe drinking water.	Eradicating hunger & Preventive Healthcare.	Mumbai, Maharashtra			31,89,967	Direct	NA	
	TOTAL					32,40,967			

(d) Amount spent in Administrative Overheads - **Not Applicable**(e) Amount spent on Impact Assessment, if applicable - **Not Applicable**(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - **INR 32,40,967/-**(g) Excess amount for set off, if any: **Nil**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	22,87,904
(ii)	Total amount spent for the Financial Year	32,40,967
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9,53,063
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9,53,063

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

Sl No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1.	2019-20	-	-	-	-	-	-
2.	2018-19	-	-	-	-	-	-
3.	2017-18	-	-	-	-	-	-
	Total	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing.
1.	Not Applicable as the Company did not have any ongoing projects for fulfillment of its CSR obligation							
2.								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details): Not Applicable

- (a) Date of creation or acquisition of the capital asset(s) – **Not Applicable**
- (b) Amount of CSR spent for creation or acquisition of capital asset - **Not Applicable**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **Not Applicable**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) - **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : NIL

For Aarvi Encon Limited

Sd/-
Mr. Virendra D. Sanghavi
Chairman of the CSR Committee
DIN: 00759176

Sd/-
Mrs. Padma V. Devarajan
Member of CSR Committee
DIN: 08064987

Date: June 03, 2021

Place: Mumbai

Annexure VI

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, 2021 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.	Virendra Sanghavi	00759176	03.12.1987
2.	Jaydev Sanghavi	00759042	09.11.2005
3.	Devendra Shrimanker	00385083	03.06.2017
4.	Sonal Doshi	06672497	03.06.2017
5.	Padma Devarajan	08064987	01.02.2018
6.	Sharad Sanghi	00265977	30.06.2020

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

Place: Mumbai
Date: 03.06.2021

Sd/-
Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639C000418763

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

The Calendar year 2020 was a great disruption unleashed by a viral pandemic that hit the world economy very hard. The pandemic spread like a forest fire, reaching every corner of the world, infecting more than 90 million and killing close to 2.8 million people worldwide (as of March 2021). For several months, uncertainties and panic paralyzed most economic activities in both developed and developing economies. The pandemic has exposed the systemic vulnerability of the world economy. Building economic, social and environmental resilience must guide the recovery from the crisis.

World gross product fell by an estimated 4.3 percent in 2020, the sharpest contraction of global output since the Great Depression. The pandemic hit the developed economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. The developing countries experienced a relatively less severe contraction, with output shrinking by 2.5 percent in 2020. Their economies are projected to grow by 5.7 percent in 2021.

Activity is expected to strengthen in the second half of this year and firm further next year, as improved COVID-19 management aided by ongoing vaccination allows for an easing of pandemic control measures. Global economic output is expected to expand 4 percent in 2021 but still remain more than 5 percent below pre-pandemic projections. Global growth is projected to moderate to 3.8 percent in 2022, weighed down by the pandemic's lasting damage to potential growth. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the forecast horizon as confidence, consumption, and trade gradually improve, supported by ongoing vaccination.

INDIAN ECONOMY OVERVIEW

The Financial Year 2020-21 started with a Nation-wide lockdown in India although India emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. The Economic Survey has projected that the economy will grow at 11 percent, up from an estimated historic decline of 7.7 percent in 2020-21, on account of the COVID-19 pandemic. Also, the vaccination drive is expected to provide an impetus for the restoration of contact-intensive sectors and a leading edge to the Indian pharma industry in the global market.

The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25 percent of the GDP from the current 17 percent. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital

infrastructure, delivering services digitally and increasing digital literacy. India's retail inflation, measured by the Consumer Price Index (CPI), rose to 5.52 percent in the month of March. Separately, the country's factory output, measured in terms of the Index of Industrial Production (IIP), witnessed a contraction of (-) 3.6 percent in February, as per Ministry of Statistics & Programmed Implementation (MoSPI). The retail inflation during the month of February was at 5.03 percent. The rise in retail inflation on March can be attributed to the rise in food prices. The Consumer Food Price Index (CFPI) or the inflation in the food basket rose to 4.94 percent in the month of March.

The government has the ambition of making India a USD 5 trillion economy by 2024 for which various initiatives have been undertaken in the last few years to improve ease of doing business, encourage Make in India, invite foreign companies to India with schemes like PLI (production-linked incentive) and tweak the legacy labor laws, Agri policies, etc.

With the shift in sentiment to reduce dependence on a single country i.e. China, we are seeing increasing interest from international companies wanting to invest in India. Interest is largely from Asia led by Japan, Korea and Thailand although we are also seeing interest from Europe. Some of these enquiries are in sectors such as agrochemicals, building products, logistics, packaging, and new-age technology including electronics, sectors where we have not seen significant interest in the past.

GLOBAL STAFFING INDUSTRY

Employees are one of the most important aspects for any company to grow successfully globally, and the staffing industry is one of the industries that has been significantly growing in recent years. As the market recovers from Covid-19, the global staffing business is expected to rise by 12 percent this year to a total of \$445 billion, up from an 11 percent decline in 2020. When comparing global staffing markets in 2021 to the year before the pandemic in 2019, the picture is mixed, but by 2022, nearly all countries should have recovered.

In 2020, the total revenue from staffing in Europe, the Middle East, and Africa was \$178 billion. The Americas (North and South America) brought in \$152 billion, while Asia Pacific brought in \$115 billion. While it looks that the worst of Covid-19 has passed, many countries continue to encounter difficulties. Regional variations, for example, have caused concern in various parts of the world due to their impact and spread.

INDIA STAFFING INDUSTRY

India is the world's fifth-largest staffing market. Over the last five years, India's staffing industry has grown at a rate of 20-25 percent every year. It shows no indications of slowing down because it is still in the midst of a structural transition. With over 1 million individuals joining the workforce every

month in India, creating long-term employment is crucial to the country's economic success. While employers are beginning to exhibit a greater dependence on flexible staffing to satisfy their business imperatives, India's regulatory climate is also beginning to lighten, making it easier for employers and staffing players.

The future of the staffing industry is likewise tied to the country's job market. We can address the issue of jobs by allowing for speedier labor migration from farm to non-farm and formalizing the non-farm industry in India. The economy is getting a boost from the rapidly changing employment mix. According to the World Bank, the agricultural sector created roughly 63 percent of new jobs in India in 1991, but just 43 percent now. The contribution of the services and industrial sectors, on the other hand, has increased from 22 percent to 32 percent and 15 percent to 25 percent, respectively, over the same time period. Furthermore, India will require structural changes, particularly in the areas of labor, skill development, and higher education, as well as an enabling regulatory and macroeconomic environment for enterprises, start-ups, and MSMEs to prosper. Our authorities will need to push formalization, urbanization, industrialization, financialization, and human capital to boost the productivity of our businesses, which will ultimately aid job creation.

The trend of formalizing the workforce in India will witness exponential development over the next decade as a result of several measures taken by the Indian government around Make in India and a focus on different reforms, as well as an improvement in GDP per capita. It is predicted to rise from 20.8 percent today to 30.3percent in 2025 and 38.3percent in 2030. The primary growth driver for the Flexi staffing business will be an increase in the formalization of the workforce in the economy, which is predicted to expand from 0.7percent in 2018 to 1.6percent by 2025 and 2.7percent by 2030. Over the coming decade, shorter product life cycles, disruptive innovation, and a shifting competitive climate will necessitate greater employee flexibility. The flexi staffing market is predicted to grow at a 15percent CAGR from 4.4 million to 15.4 million people between 2021 and 2030 as a result of this exponential expansion. The Indian government has undertaken a number of dramatic changes, including the streamlining of labor laws. India has consolidated 47 outdated labor laws into four new labor codes. Fundamentally, simpler labor rules improve a country's ease of doing business ranking. This encourages both Indian and foreign corporations to invest in India, resulting in more jobs. Staffing is set to grow multifold in years to come. New labor reforms and recognition of gig workers are major tail winds.

INDIA RECOGNIZING GIG & PLATFORM WORKERS

The new labor codes have various aspects which will increase the flexi-staffing multi-fold. It allows the employers to have contract staff on a weekly, fortnightly and fixed term basis as well. This used to be a grey area earlier. It was not illegal to hire a worker for a day or a week. However, the statutory & compliance requirements

were not very clear. Many of the companies were hesitant to hire additional workers on a daily or weekly basis and used to manage with the headcount they had.

Unlike many countries, India has accepted the reality of Gig & Platform Workers. India is working backwards on Gig workers. Enacting laws, to ensure Safety and Social Security to Gig Workers. This will give a great boost to the Gig Economy. This boost will increase the demand of Gig Workers across many sectors such as logistics, customer services, sales and after-sales services. Millions of flexi-jobs will be created in such profiles across various industries, all giving a boost to the staffing industry. Though in India flexi staffing, or temporary staffing, is yet to gain traction, the industry is beginning to come of age, with incumbent players beginning to focus on new offerings, increasing investment in technology, improving consultative selling capabilities and focusing on operational efficiencies, while also making their presence felt at the right places. Initiatives like goods and services tax (GST), demonetization and Real Estate (Regulation and Development) Act have opened up this market for newer entrants and we are seeing newer staffing players entering the organized staffing sector. While the gig economy is in its infancy in India, it is expected to grow in the near future – much like it has grown in the US and other developed markets. It is estimated that up to 20-30percent of the workforce in developed markets is engaged in independent work. More than a third of the 500-plus organizations surveyed in India expect to rely up to 50percent on flexible talent in the next five years. This will have a bearing on the talent strategy of organizations, and therefore should be an important area of focus for the staffing companies in India.

CHALLENGES

SKILL AND TALENT GAP ISSUES IN INDIA

India requires a workforce that is industry-ready and job-ready, yet it is experiencing a severe talent and skill shortage. Every year, more than 60percent of the 8 lakh engineers who graduate from technical colleges across the country are unemployed. One of the most difficult parts, according to up to 39percent of companies, is attracting and finding great people. Out of all occupations 90percent are skill-based, while just 2percent of the population (aged 15 to 25) is currently enrolled in vocational training, compared to 60-80 percent globally. Apart from that, attracting, engaging, and retaining top personnel remains a major challenge for most businesses. Employers are looking at contingent staffing in a big manner against this bleak landscape. This represents a huge business opportunity for the staffing industry. The industry has to play its part as well in addressing the skill and talent issue for the economy as a whole.

CHALLENGE OF JOB FORMALIZATION

One of the biggest challenges facing the Indian economy currently is the size of the informal economy which still employs over 80percent of the workforce. The key drivers behind the highly informal economy are a lack

of formal skills-sets, lower levels of education, and lack of opportunities in the formal sector. The end result is lower productivity and wages. From a government stand point, informal employment tends to lead to unproductive operations, inability to raise tax revenues, and regulatory compliance issues. Over the last five years the government has announced a number of structural reforms aimed at accelerating the formalization of the economy. In 2016 The Employee Provident Fund and Employee Insurance reforms announced the extension of social security benefits to a larger employee base and incentivized informal employees to move to formal employment. Similarly, the two most talked about recent reforms in India have been: 1) Demonetization, which in late 2016 encouraged digital payments, making it easier for the government to track transactions; and 2) GST, which in mid-2017 removed multiple layers of taxes and encouraged enterprises to deal with the formal sector in order to get input tax credits.

Delay in labor reforms leading to slower-than-expected rate of formalization of the economy:

The recently passed labor regulations are set to take effect on April 1, 2021, and they will be a crucial driver in India's formalization of the work sector. However, if the labor laws are not implemented in a timely manner, India's formalization of the workforce may be slower than envisaged.

Slower than expected revival of the Indian economy leading to lower requirement for flexi workers:

Flexi worker hiring tends to pick up in a buoyant economy, hence if the expected revival of the Indian economy in CY21 is delayed it could result in hiring remaining subdued for a longer than expected time.

Increase in unemployment levels leading to lower reliance or cut in Flexi staff: The hiring of flexi employees has an inverse relationship with unemployment. As a result, if India's unemployment rate rises, Flexi workers will be reduced or eliminated.

TECHNICAL STAFFING

India understands the demands of the present industry and the high expectations that companies have for their workforce. On a project-by-project or short-term basis, staff on deputation is provided to corporations, industrial segments, and other engineering companies.

Every business entity, from multinational conglomerates to small and medium-sized enterprises, realizes the benefits of outsourcing. Companies desire to keep focused on their primary business activity and outsource support services to save time and energy in the face of ever-increasing business demands. They seek to cut costs and increase employee productivity to stay competitive. Manpower Outsourcing accomplishes both of these goals.

The company database has about 7,00,000 trained and experienced engineers in sectors such as project

management, construction, planning, safety, quality assurance/quality control, procurement, inspection, testing, and commissioning.

Aarvi's overall outsourcing continues to gain traction. Temporary workforce solutions make recruitment and replacement easier. Flexi-outsourcing benefits both employees and employers because it allows organizations to hire on a need-to-know basis rather than on a permanent basis. Aarvi is on the verge of seeing more growth as a result of changing industry dynamics and rising penetration of flexi-outsourcing in India and abroad.

OPERATION AND MAINTENANCE SERVICE

Industrial Operation and Maintenance services forms a non-core activity for power, steel and cement plants. To improve equipment uptime, reduce maintenance cost and increase operational excellence, companies are outsourcing O&M activities. With growth in infrastructure and capacity addition of plants, the O&M industry is expected to significantly benefit from the same.

The company knows the unique needs and problems of the numerous industries for which it has provided labor, it has become the preferred partner for O&M services for many of its clients. Among the companies that use the company's O&M services are HPCL, GSPC, Cairn, and GSPL, to name a few

COMPANY OVERVIEW

Aarvi Encon, a leading Technical Manpower Supply company, provides permanent and temporary manpower services in a variety of industries. It has been providing industrial solutions to the organized sector for over 33 years. Aarvi adds value to various verticals by providing technical staffing solutions and qualified engineers in areas such as electrical-instrumentation services, erection & commissioning, operation & maintenance, instrument calibration, plant shutdown, equipment services & support for OEMs, airport maintenance, and so on.

Aarvi is one of the most well-known workforce outsourcing firms, providing temporary staffing to a wide range of industries, including EPC firms, power plants, oil and gas refineries, chemicals and petrochemicals, construction, infrastructure projects, renewable energy, and so on.

The company has added O&M services to its service offering. O&M activities currently account for 43 percent of our revenue. Aarvi Encon has become the preferred partner for O&M services during the previous five years.

It has successfully expanded its operations internationally by leveraging its track record in India, and has provided a wide range of engineering services on various international projects, particularly in the UAE and Saudi Arabia, to prestigious clients such as Larsen & Turbo Limited, Tecinmont, Reliance Industries Limited, Indian Oil, Cairn, HMEL, and others.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate Internal Financial Controls with reference to financial statements and such internal financial controls are operating effectively. Your company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial statements. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Auditors monitors and evaluates the efficacy and adequacy of internal control systems of the company, its compliance with applicable laws/ regulations, accounting procedures and policies. Based on the report of the Internal Auditors, corrective actions were undertaken and controls were thereby strengthened. Significant audit observations and action plans are presented to the Audit Committee of the Board.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**Standalone Performance**

- Revenue from operations at Rs. 18,965.57 Lakhs as against Rs. 19,121.40 Lakhs of previous year which is slightly decreased by 0.81% year on year, reflecting satisfactorily results in key markets and segments
- The Net profit after tax for the year grew by 128.0% to Rs. 865.47 Lakhs from Rs. 378.62 Lakhs.
- The Working capital (Net current assets) increased by Rs. 2124.52 Lakhs i.e. from Rs. 2,097.02 Lakhs to Rs. 4,221.55 Lakhs.

Significant changes in key financial ratios as compared to the previous year:

PARTICULARS	FY 2020-21	FY 2019-20
Debtors turnover (days)	93.76	92.27
Interest Coverage Ratio	16.03	3.22
Current Ratio	2.31	1.62
Debt : Equity Ratio	0.47	0.56
Operating profit margin (%)	4.79%	2.70%
Net profit margin (%)	4.56%	1.98%
Return on Net worth	11.95%	5.81%

Consolidated Performance

- Revenue from operations at Rs. 20,178.56 Lakhs as against Rs. 21,805.04 Lakhs of previous year reflecting the decrease in revenue of 7.5% than the previous year.
- The Net profit after tax for the year grew by 45.0% to Rs. 1,046.02 Lakhs from Rs. 717.79 Lakhs.
- The Working capital (Net current assets) increased by Rs. 2265.18 Lakhs i.e. from Rs. 3105.01 Lakhs to Rs. 5,370.19 Lakhs.

Significant changes in key financial ratios as compared to the previous year:

PARTICULARS	FY 2020-21	FY 2019-20
Debtors turnover (days)	96.64	97.13
Interest Coverage Ratio	19.19	5.34
Current Ratio	2.60	1.78
Debt : Equity Ratio	0.41	0.55
Operating profit margin (%)	5.39 %	3.92 %
Net profit margin (%)	5.18 %	3.29 %
Return on Net worth	12.30%	9.40%

Material Developments in Human Resources / Industrial Relations Front, Including Number of People Employed

The Company believes that Human Resources are its key assets. The total number of employees and consultant of the Company is 4394. The Company's HR policy focuses on developing the skill and competencies of all the employees, facilitating team work and total employee involvement, providing a happy work environment to the employees and support to their families and remaining a socially responsible Company contributing to the society.

Learning is given the utmost importance in the Company. Training programs focus on improving employees' current skills and competencies as well as developing them for their future roles as part of their career development. The Company ensures overall development of every employee and all inputs are provided to reach the expert level of their skill and competency.

In the Company, HR processes are aligned to make employees feel that they are a part of the Company family. The Company creates the platform for employees to voice their opinion and make suggestions to improve the working environment. The Company maintains regular communication with employees to make them feel connected with the Company and perform their jobs most effectively.

The Company focuses on inculcating the habit of continuous improvement and motivating employees to participate in improvement activities for the organisation. The Company continues to maintain its record of industrial harmony.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could influence the Company's operations, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, foreign currency fluctuations and interest costs.

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. It is concerned with adoption of transparent procedures and techniques. 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.

Corporate Governance can be defined as an approach in which the corporations are managed in an ethical, accountable, transparent and fair way, with the blend of both legal and management practices, to imbed the same in the decision making process of a company, and to communicate the same accurately and timely, in such a way that both stakeholders expectations and legal standards are not only met, but the corporations try to exceed them. The Company satisfy the spirit of the law and not just the letter of law by also being transparent and maintains a high degree of disclosure levels.

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 scarce 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 been 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.

(a) Composition and Size of Board

The Board is headed by an Executive Chairman and has an optimum combination of Executive and Non-Executive Directors including Independent Directors and is in conformity with the requirement of Regulation 17 of the SEBI (LODR) Regulations, 2015.

As on date of this Report, the Board consists of 6 (Six) Directors comprising of 1 (One) Managing Director (Executive cum Chairman), 1 (One) Whole Time Director (Executive) and 4 (Four) Non-Executive Independent Directors including 2 (Two) Independent Woman Director. All of the 4 (Four) Independent Directors of the Company are free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013.

The Company was a SME listed company till March 31, 2020, and therefore regulations of Corporate Governance were not applicable to the Company for the year ended March 31, 2020. The Company obtained members approval for migration from SME Emerge platform of National Stock Exchange of

India Limited (NSE) to the Main Board of NSE India 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 June 22, 2020.

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

The Board met Four (4) times during the year on June 30, 2020, August 13, 2020, November 12, 2020 and February 11, 2021, due to the COVID 19 Pandemic condition and Lockdown situation in entire nation, the Ministry of Corporate Affairs and Securities Exchange Board of India has laid down the extension to conduct the Board Meeting and therefore allowed the gap between two meetings of the Board to exceed 120 (One hundred twenty days) which shall not be in contravention to the provision as laid down in the Companies Act, 2013, Regulation 17(2) of the Listing Regulations and the Secretarial Standard-I issued by the Institute of Company Secretaries of India. The necessary quorum was present for all the meetings. The names and categories of the Directors on the Board, their attendance at board meetings and Annual General Meeting held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2021 are given herein below:

Name the Director	Category	No. of Board Meeting attended	Attendance at last AGM	^ No. of Companies in which directorships is held		^^ No. of committee position held in Public Companies		Name of other listed entities where the Directors of the Company are Director and the category of their Directorship	
				Public	Private	Membership	Chairmanship	Other Listed Entity	Category
Mr. Virendra Sanghavi	Promoter, Executive	4	Yes	1	1	0	0	-	-
Mr. Jaydev Sanghavi	Promoter, Executive	4	Yes	1	3	2	0	-	-
Mr. Devendra Shrimanker	Independent, Non - Executive	4	Yes	3	1	5	3	1.Citadel Realty And Developers Limited 2.Pentokey Organy (India) Limited	Independent, Non – Executive Independent, Non – Executive
Mrs. Sonal Doshi	Independent, Non - Executive	4	Yes	1	1	2	1	-	-
Mrs. Padma Devarajan	Independent, Non – Executive	4	Yes	1	0	1	0	-	-
Mr. Sharad Sanghi	Independent, Non - Executive	4	Yes	2	7	1	0	1. National Internet Exchange Of India	-

^ Excluding Directorship on the Board Foreign Companies, and Alternate Directorship, Companies which are striked off / is in the process of striking off.

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

Note:

1. The Board Meetings generally used to be held at the Registered Office of the Company at B1-603, Marathon Innova, Marathon NextGen, Lower Parel (W), Mumbai - 400013. But due to the spread of Covid-19 pandemic in entire nation and considering the safety towards the Members of the Board and the society, the Meetings of the Company were conducted through Video Conferencing / Other Audio Visual Means.

2. In addition to other items discussed at the Board Meeting, the Company Secretary ensured compliance of regular items placed before the Board in terms of Regulation 17(7) of the SEBI (LODR) Regulations, 2015 and Section 179 of the Companies Act, 2013 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014.

3. None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies.

Further, as mandated by Regulation 26 of Listing Regulations, none of the Director acts as a member of more than 10 committees or acts as a Chairperson of more than 5 committees across all Public Limited Companies.

Relationships between Directors inter-se: Mr. Virendra D. Sanghavi is a father of Mr. Jaydev V. Sanghavi. None of the other Directors except as aforementioned are related to each other.

Shareholding of Non- Executive Independent Directors as on March 31, 2021: None of the Non-Executive Independent Directors holds Equity Shares of the Company.

(c) 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.

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 March 19, 2021. 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.

- **Familiarization Programme 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	Mrs. Padma Devarajan	Mr. Sharad Sanghi
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.

None, of our Independent Director has resigned before the expiry of his/ her tenure.

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.

Details of the Committees of the Board and other related information are as follows:

A. AUDIT COMMITTEE

(a) Composition, Name of the Members and Chairperson

The composition of the Audit Committee is in accordance with the Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013 comprising of 4 (Four) qualified members (i.e. 3 Independent Directors and 1 Executive Director). All the members have financial and accounting knowledge 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 Members	Category	Audit Committee Meetings (2020-2021)				No. of Meetings Entitled to Attend	No. of Meetings Attended
		30-Jun-20	13-Aug-20	12-Nov-20	11-Feb-21		
Mr. Devendra Shrimanker	Chairman, Non- Executive Independent Director	Yes	Yes	Yes	Yes	4	4
Mr. Jaydev Sanghavi	Member, Executive Director & CFO	Yes	Yes	Yes	Yes	4	4
Mrs. Sonal Doshi	Member, Non- Executive Independent Director	Yes	Yes	Yes	Yes	4	4
Mrs. Padma Devarajan	Member, Non- Executive Independent Director	Yes	Yes	Yes	Yes	4	4

(b) 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

The Committee met 3 (Three) times during the year on June 30, 2020, August 13, 2020 and November 12, 2020. The necessary quorum was present at the meeting.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Members	Category	Nomination and Remuneration Committee Meetings (2020-2021)			No. of Meetings Entitled to Attend	No. of Meetings Attended
		30-Jun-20	13-Aug-20	12-Nov-20		
Mr. Devendra Shrimanker	Chairman, Non- Executive Independent Director	Yes	Yes	Yes	3	3
Mrs. Padma Devarajan	Member, Non- Executive Independent Director	Yes	Yes	Yes	3	3
Mrs. Sonal Doshi	Member Independent, Non – Executive Independent Director	Yes	Yes	Yes	3	3

(b) 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.

(c) 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.

REMUNERATION OF DIRECTORS:

The remuneration has been paid as approved by the Board, in accordance with the approval of the Shareholders and within the overall ceiling prescribed under Section 197 and 198 of the Companies Act, 2013. The Remuneration of Executive Directors has fixed as well as variable components. The variable components comprise of commission on net profits of the Company.

Independent Directors have been paid sitting fees for attending meetings of Board / Committees thereof.

Remuneration paid to Executive Directors and sitting fees for attending Board / Committee Meetings and profit related commission paid to Executive Directors, during the year ended March 31, 2021 are as under:

(Rupees in Lakhs)

Directors	Sitting Fees	Salary & Allowances	Perquisites	Commission	Share Holding as on 31-03-2020 (in Nos.)
Mr. Virendra D. Sanghavi	-	94,05,000	-	73,95,000	75,95,000 (51.37%)
Mr. Jaydev V. Sanghavi	-	73,15,000	-	94,85,000	21,82,500 (14.76%)
Mr. Devendra J. Shrimanker	1,15,000	-	-	-	-
Mrs. Sonal N. Doshi	1,15,000	-	-	-	-
Dr. (Mrs.) Padma V. Devarajan	90,000	-	-	-	-
Mr. Sharad S. Sanghi	40,000	-	-	-	-

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

(a) *Composition, Name of the Members and Chairman*

The Committee met once during the year on March 19, 2021. All the members were present at the meeting.

The composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Name	Designation in Committee	Nature of Directorship	No. of Committee Meetings	
			Held	Attended
Mrs. Sonal Doshi	Chairperson	Non-Executive and Independent Director	1	1
Mr. Jaydev Sanghavi	Member	Executive Director	1	1
Mr. Devendra Shrimanker	Member	Non-Executive and Independent Director	1	1

(b) *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.

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

Leela S. Bisht
 Company Secretary and Compliance Officer:
 B1-603, Marathon Innova,
 Marathon Nextgen Complex, Lower Parel (West), Mumbai – 400013.
 Tel: 022 – 4049 9907
 Email: cs@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 – 2020	0	0	0	0
Sep – 2020	0	0	0	0
Dec – 2020	0	0	0	0
Mar - 2021	0	0	0	0
Total	0	0	0	0

The Committee has not received any shareholders complaint during the FY 2020-21.

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.

3. REMUNERATION

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.

4. GENERAL BODY MEETINGS

Annual General Meeting

A. Particulars of Annual General Meeting held in last three years are as under:

Financial Year	Date	Time	Venue
2019-20	September 22, 2020	11:00 A.M.	The 32nd Annual General Meeting (Third AGM Post IPO of the Company) was via Video Conferencing (VC) or Other Audio Visual Means (OAVM).
2018 -19	August 06, 2019	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	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.

*Whether any Special Resolution passed in previous 3 AGM's:

DATE OF AGM	DESCRIPTION OF SPECIAL RESOLUTION
September 22, 2020	To approve remuneration of Mr. Virendra D. Sanghavi (Din: 00759176), Managing Director of the Company for Financial Year (FY) 2020-21 and 2021-22.
August 06, 2019	NIL
August 31, 2018	NIL

B. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the year 2020-21

C. Postal Ballot

During the year, no transaction was approved by postal ballot by the members of the Company.

whether any special resolution is proposed to be conducted through postal ballot; procedure for postal ballot.

5. MEANS OF COMMUNICATION:

Quarterly/ Half yearly/Annual Results: During the year 2020-21, the company has followed regulation 47 of listing regulations and published its each quarterly, half yearly and annual financial results in the English language newspaper and in Marathi language newspaper (local vernacular language). Also, 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.

The publication as required under Regulation 47 for the FY 2020-21 has been done in Business Standard (All India Edition) and Mumbai Lakshadeep (Marathi Edition).

The newspaper publication as required under Regulation 47 has also been published on the website of the Company.

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.

The Investors presentations are also available on the website of the Company.

6. GENERAL SHAREHOLDER INFORMATION

33rd (Thirty Third) Annual General Meeting

Day, Date and Time:

Thursday, July 29, 2021 at 11:00 a.m.

Venue: through VC/OAVM

Financial Year: 1st April, 2020 to 31st March, 2021

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 2020-21 at NSE are given below

2020-21	National Stock Exchange of India Limited (NSE)		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	No. of Shares traded
April 2020	22.55	20.15	24,000
May 2020	22.50	21.40	20,000
June 2020	29.90	21.40	16,000
July 2020	39.90	29.85	129,000
August 2020	46.00	27.00	138,000

September 2020	42.90	34.35	30,000
October 2020	45.00	34.25	35,000
November 2020	40.40	33.75	63,000
December 2020	54.65	37.25	846,000
January 2021	52.95	38.20	542,000
February 2021	54.70	40.30	296,000
March 2021	62.50	48.30	322,000

performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc;

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.

Tel.: +912262638200 Fax: +912262638299

Email: info@bigshareonline.com

Website: www.bigshareonline.com

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, 2021

Category of Shareholders	Number of shares	% of Shareholding
Shareholding of Promoter and Promoter Group	1,08,62,500	73.47
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	3,92,926	2.66
Individual shareholders holding nominal share capital up to Rs. 2 lakhs	13,01,074	8.80
Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	19,91,094	13.47
Clearing Members	7257	0.05
Non Resident Indians	17,720	0.12
Foreign Companies	0	0
Other Directors	0	0
HUF	2,07,429	1.40
Trusts	4,000	0.03
IEPF	0	0
TOTAL	1,47,84,000	100

Distribution of Shareholding by Size as on 31st March, 2021

No. of Shares held	No. of shareholder	% to no. of shareholders	No. of shares	% to no. of shares
1 – 500	617	54.65	81,043	0.55
501 – 1000	92	8.15	78,993	0.53
1001 – 2000	221	19.58	421,370	2.85
2001 – 3000	32	2.83	85,330	0.57
3001 – 4000	45	3.99	176,860	1.20
4001 – 5000	11	0.97	52,072	0.35
5001 – 10,000	48	4.25	346,826	2.35
> 10,001	63	5.58	1,35,41,506	91.60
TOTAL	1129	100	1,47,84,000	100

Dematerialization of shares as on 31st March, 2021

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	1,19,85,930	81.07
NSDL	27,98,070	18.93
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, 2021.

Commodity Price Risk/Foreign Exchange Risk and Hedging Activities
1. Risk Management with respect to the Commodities 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. There is no commodity price risk.

2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

The Company does not have any exposure hedged through commodity during the financial year 2020 -21.
plant locations;

Address for Correspondence

Queries may be addressed to:

Jaydev Sanghavi,

Chief Financial Officer,

Aarvi Encon Limited,

B1-603, Marathon Innova, Marathon Nextgen Complex, Lower Parel (West), Mumbai – 400013.

Tel: 022 – 4049 9999

Email: info@aarviencon.com/mathew@aarviencon.com

Leela Bisht
 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: cs@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 2020-21, 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; hence 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 except the following.

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Observations/ Remarks of the Practicing Company Secretary	Details of action taken E.g. fines, warning letter, debarment, etc.
1.	Pursuant to regulation 30 and Schedule III of SEBI Listing Regulations, Outcome of Board Meeting and Proceedings of Annual General Meeting shall be submitted within 30 minutes and within 24 hours respectively.		The Company has submitted Outcome of Board meeting held on 30.06.2020 and proceedings of Annual General Meeting beyond the timeline as stated in SEBI Listing Regulations.

2	As per regulation 47 of SEBI Listing Regulations, the listed entity shall publish Financial Results in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the listed entity is situated.		The Company has published Financial Results for Quarter ended 31.03.2020 in English language in Business Standard, however, it has not published Financial Results in daily newspaper in the language of the region, where the registered office of the listed entity is situated.
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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 behavior, 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, 2021:

Aarvi Encon FZE located at United Arab Emirates (UAE).

Aarvi Engineering and Consultants Private Limited located in 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 its networth stands more than 10% of the consolidated networth of the Company.

web link where policy on dealing with related party transactions;

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.

Aforesaid Certificate forms part of Annual Report

In this regard provide Annual disclosures for all drs as on 31.03.2021

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 2020-21 is Rs. 15,02,710.83/.(Refer Note No. 21 as notes to Consolidated Audited Financial Statements).

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 except mentioned aforesaid.

The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

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 shall be made in the section on corporate governance of the annual report.

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. 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 2020-21".

15. 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.

16. 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.

7. A) No. of Board Meetings held during the year:

4 (Four) Board Meetings were held during the year (FY. 2020 - 21). The details of the Board Meetings held are given below:

Date of Board meeting	Board Strength	No. of Director Present
30.06.2020	6	6
13.08.2020	6	6
12.11.2020	6	6
11.02.2021	6	6

B) No. of Audit Committee Meetings held during the year:

4 (Four) Audit Committee Meetings were held during the year i.e. 2020-21, the details of the Audit Committee Meetings are as follows:

Date of Audit Meeting	Committee Strength	No. of Directors Present
30.06.2020	4	4
13.08.2020	4	4
12.11.2020	4	4
11.02.2021	4	4

C) No. of Nomination and Remuneration Committee Meetings held during the year:

3 (Three) Nomination and Remuneration Committee Meetings were held during the year i.e. 2020 - 21, 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
30.06.2020	3	3
13.08.2020	3	3
12.11.2020	3	3

D) No. of Corporate Social Responsibility Committee Meetings held during the year:

4 (Four) Corporate Social Responsibility (CSR) Committee Meetings were held during the year i.e. 2020 -21, the details of the Corporate Social Responsibility Committee Meetings are as follows:

Date of CSR Meeting	Committee Strength	No. of Directors Present
30.06.2020	3	3
13.08.2020	3	3
12.11.2020	3	3
11.02.2021	3	3

E) No. of Finance and Management Committee Meetings held during the year:

5 (Five) Finance and Management Committee Meetings were held during the year i.e. 2020 - 21, 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
28.10.2020	2	2
10.12.2020	2	2
11.01.2021	2	2
03.02.2021	2	2
23.03.2021	2	2

8. 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

9. 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.

10. Meetings other than Annual General Meeting

During the FY 2020-21, there are no other general meetings of the members of the Company except the 32nd Annual General Meeting.

11. Dividend Distribution Summary

Financial Year	Amount of Dividend (₹)	Date of payment	Dividend tax / (TDS) (₹)	%
2019-20	1,47,84,000	01/10/2020	10,68,470	10
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 03, 2021
Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

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

I have examined the compliance of conditions of Corporate Governance by **Aarvi Encon Limited** ('the Company') for the year ended March 31, 2021, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations, 2015") as referred to in Regulation 15(2) of the SEBI Listing Regulations, 2015 for the period from April 01, 2020 to March 31, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management and my examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor 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 or for any other purpose.

This Certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable or for any other purpose.

For Bhatt & Associates Company Secretaries LLP

Place: Mumbai
Date: 03.06.2021

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639C000418741

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, 2021, 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 2021, 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.

Key Audit Matter

1. *Revenue Recognition*

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

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

Auditor's Responses

Principal Audit Procedures

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

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

Key Audit Matter

2. *Evaluation of Uncertain Tax Positions*

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

Auditor's Responses

Principal Audit Procedures

Obtained details of completed tax assessments and demands for the year ended March 31, 2021 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 guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)

(i) of the Act, we are Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern, If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements, including the disclosure, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the

financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

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

Other Matters

We did not audit the financial statements of foreign subsidiary Aarvi Encon (FZE), whose financial statements reflect total assets of Rs.14,00,45,000/- (AED 70,29,571/-) as at 31st March, 2021, total revenue of Rs.11,93,00,000/- (AED 59,94,554/-) and net cash inflow of Rs.2,67,53,000/- (AED 14,12,986/-) 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._10,096 /- 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, 2021 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, 2021, 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 the requirements of section 197(16) of the Act, as amended:

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

8. 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. : 21031224AAAAFC2725

Place : Mumbai.
Date : 3rd June, 2021.

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, 2021, 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, 2021, 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. : 21031224AAAAFC2725

Place : Mumbai.
Date : 3rd June, 2021

Consolidated Balance Sheet as at March 31, 2021

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4A	997.56	1,055.10
(b) Goodwill on Consolidation	5	20.12	20.12
(c) Right of Use Asset	4B	-	60.31
(d) Other Intangible Assets	4C	3.22	3.85
(e) Intangible Asset Under Development	4D	17.13	11.50
(f) Financial Assets	6		
(i) Loans and Advances	6.3	183.32	231.26
(ii) Others	6.5	1,324.91	913.43
(g) Deferred Tax Asset, Net	7	16.97	16.18
(h) Other non current assets	8	736.43	2,405.62
		3,299.66	4,717.38
(2) Current Assets			
(a) Financial Assets	6		
(i) Investments	6.1	34.28	31.63
(ii) Trade Receivable	6.2	5,342.51	5,802.75
(iii) Cash and cash equivalents	6.4	1,644.95	491.76
(iv) Other Bank Balances	6.4	716.08	155.90
(v) Loans and Advances	6.3	32.69	27.59
(vi) Others	6.5	781.60	460.38
(b) Other current assets	8	167.32	113.67
		8,719.43	7,083.69
Total Assets		12,019.09	11,801.07
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	9	1,478.40	1,478.40
(b) Other Equity	10	7,028.76	6,154.02
Equity attributable to owners of Holding Company		8,507.16	7,632.42
Liabilities			
Non-current liabilities			
(a) Financial Liabilities	11		
(i) Borrowings	11.1	-	8.38
(ii) Lease Liability	11.2	-	46.23
(iii) Others	11.5	129.81	102.51
(b) Provisions	14	-	2.47
(c) Deferred Tax Liabilities (Net)	12	32.89	30.38
(d) Other Non-current liabilities	13	-	-
		162.70	189.97
Current liabilities			
(a) Financial Liabilities	11		
(i) Borrowings	11.3	352.60	874.10
(ii) Lease Liability	11.2	-	21.57
(iii) Trade payables	11.4	542.47	949.36
(iv) Others	11.5	1,718.32	1,404.66
(b) Other current liabilities	13	735.85	718.17
(b) Provisions	14	-	10.82
(c) Liabilities for current tax (net)	15	-	-
		3,349.24	3,978.68
Total Equity and Liabilities		12,019.09	11,801.07

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

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Arvind H. Shah
Proprietor
M.No. 031224

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

Place : Mumbai
Date : 3rd June, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from Operations	16	20,178.56	21,805.04
II Other Income	17	229.61	59.92
III Total Revenue (I + II)		20,408.17	21,864.96
IV Expenses:			
Employee Benefit Expenses	18	15,706.65	14,673.47
Finance Cost	19	56.66	160.12
Depreciation and amortisation expense	20	97.37	124.11
Other Expenses	21	3,516.70	6,211.85
Total Expenses (IV)		19,377.38	21,169.54
V Profit/(Loss) Before Tax (III-IV)		1,030.79	695.42
VI Tax Expense	22		
1. Current Tax		-	64.20
2. Short/Excess Provision of Tax		(97.55)	(36.96)
3. Deferred Tax (Credit)/Charge		82.32	(49.62)
4. MAT Credit		-	-
Total Tax Expenses (VI)		(15.23)	(22.38)
VII Profit/(Loss) for the period (V-VI)		1,046.02	717.80
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans tax effect thereon		12.11	(2.19)
(ii) Items that will be reclassified to profit or loss			
Changes in foreign currency translation reserve tax effect thereon		(35.55)	77.10
Other Comprehensive Income for the year, net of tax		(23.45)	74.91
IX Total comprehensive income for the year		1,022.57	792.71
X Net Profit attributable to:			
Owners of the Holding Company Profit / (Loss)		1,046.02	717.80
Non-Controlling Interest Profit /(Loss)		-	-
		1,046.02	717.80
XI Other Comprehensive Income attributable to:			
Owners of the Holding Company		(23.45)	74.91
Non-Controlling Interest		-	-
		(23.45)	74.91
XII Total Comprehensive Income attributable to:			
Owners of the Holding Company		1,022.57	792.71
Non-Controlling Interest Profit /(Loss)		-	-
		1,022.57	792.71
XIII Earnings per Share			
Basic & Diluted	23	7.08	4.86
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

For and on behalf of the Board of Directors

Arvind H. Shah

Proprietor

M.No. 031224

Place : Mumbai

Date : 3rd June, 2021

Virendra D. Sanghavi

Managing Director

DIN:00759176

Jaydev V. Sanghavi

Executive Director & CFO

DIN:00759042

Leela S. Bisht

Company Secretary & Compliance Officer

Membership No. ACS 59748

Statement of Changes in Equity

(All figures are in lakhs unless otherwise stated)

A Equity

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	1,47,84,000	1,478.40	1,47,84,000	1,478.40
Changes in equity share capital during the year	-	-	-	-
Balance at the end of Reporting period	1,47,84,000	1,478.40	1,47,84,000	1,478.40

B Other Equity

Particulars	Retained Earnings	Securities Premium	OCI - Exchange differences on translation of Foreign Operations	General Reserve	Total
Balance as at April 1, 2019 as per IND AS	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 Utilised for Writing of/ Reversal of Share Issue Expenses	-	-	-	-	-
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
Profit/(Loss) for the year	1,046.02	-	-	-	1,046.02
Dividend & Dividend Distribution tax	(147.84)	-	-	-	(147.84)
Less Deferred tax liability on above	-	-	-	-	-
Exchange differences on translation of Foreign Operations	-	-	(35.55)	-	(35.55)
Defined Benefit Obligation	12.11	-	-	-	12.11
Balance as at 31 March 2021	4,897.69	1,492.29	71.41	567.37	7,028.76

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 : 3rd June, 2021

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Consolidated Cash Flow Statement for the period ended March 31, 2021

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	2020-21	2019-20
Cash flows from operating activities		
Profit /(loss) before tax	1,030.79	695.42
Adjustments:		
Depreciation & amortisation	97.37	124.11
Re-measurement of defined benefit obligation	12.11	(2.19)
Interest expense	54.84	151.64
Interest expense on Lease Liability	1.82	8.48
Interest income	(222.80)	(56.13)
Liabilities no longer required written back	(4.16)	(0.32)
Expected Credit Loss	47.18	47.80
Profit on sale of property, plant and equipment	-	(1.84)
Exchange (gain) / loss	-	1.89
Interest Income on Financial Assets at FVTPL	(2.65)	(1.63)
Loss on sale of property, plant and equipment	0.53	4.30
	(15.76)	276.11
Operating cash flows before working capital changes and other assets	1,015.03	971.53
Decrease/ (increase) in Trade receivables	413.06	(898.59)
Decrease/ (increase) in Financial Assets	(646.88)	66.97
Decrease/ (increase) in Other Assets	(53.65)	(8.52)
(Decrease)/increase in Trade Payables	(402.73)	530.62
(Decrease)/increase in Financial Liabilities	340.96	(150.67)
(Decrease)/increase in Other Liabilities	4.39	30.02
	(344.84)	(430.16)
Cash generated from operations	670.19	541.37
Income taxes refund / (paid), net	1,686.73	(171.78)
Net cash generated from in operating activities	2,356.93	369.59
Cash flows from investing activities		
Purchase of property, plant and equipment and CWIP	(34.75)	(34.48)
Proceeds from sale of property, plant and equipment	-	7.37
Purchase of intangible assets	(5.91)	(3.25)
Loan to Joint venture	(1.13)	(0.99)
Movement in other bank balance	(560.17)	(35.52)
Movement in term deposits	(99.09)	(0.68)
Investment in Mutual funds	0.00	(30.00)
Interest Received	244.49	53.52
Cash flows from investing activities	(456.56)	(44.03)
Cash flows from financing activities		
Repayment of long-term borrowings	(8.38)	(12.02)
Net Proceeds from short -term borrowings	(521.50)	174.53
Lease Liability:		
Principal	(12.78)	(16.44)
Interest	(1.82)	(8.48)
Dividend & Dividend Distribution tax	(147.84)	(178.23)
Interest paid	(54.84)	(151.64)
Net cash used in financing activities	(747.16)	(192.27)
Net increase / decrease in cash and cash equivalents	1,153.19	133.29
Cash and cash equivalents at the beginning of the period	491.76	358.47
Cash and cash equivalents at the end of the period	1,644.95	491.76
	1,153.19	133.29

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 : 3rd June, 2021

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

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, Marathon 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 listed on the Main Board of National Stock Exchange of India Ltd w.e.f. 24th June, 2020:

The Company has undertaken an Initial Public issue of equity shares and subsequently got its equity shares listed on the National Stock Exchange, Emerge (SME Segment) with effect from 5th October 2017.

On 4th November, 2019, the Company received in principle approval for migration of trading in the equity shares of the company from SME Platform (EMERGE) to Main Board.

Further, the Company has completed the migration of its shares from National Stock Exchange (NSE) Emerge (SME segment) platform to the Main Board of National Stock Exchange of India Ltd w.e.f. 24th June, 2020.

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.

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 2021. 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 2021.

(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 :

- The amount of equity attributed to non controlling interests at the date on which investment in a subsidiary relationship came into existence;
- The non-controlling interest share of movement in equity since the date parent subsidiary relationship came into existence;
- 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
			As on March 31, 2021	As on March 31, 2020
1	Subsidiary :-			
	Aarvi Engineering & Consultants Private Limited	India	100%	100%
	Aarvi Encon FZE	UAE	100%	100%
	Aarvi Encon Resources Limited	UK	100%	100%

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 written 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) Intangible 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:

The Company has opted for income tax under Section 115BAA of the Income tax act, 1961. As per provisions of the Act, the domestic companies opting for section 115BAA will not be able to claim MAT credits for taxes paid under MAT during the tax holiday period. The companies would not be able to reduce their tax liabilities under section 115BAA by claiming MAT credits. Therefore, the Company has reversed all the MAT credit during the year.

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. Actuarial 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, 2021

(All figures are in Lakhs unless otherwise stated)

4A Property, Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block Asset Class Wise-2020-21

Tangible Assets

Particulars	Office Premises	Plant & Machinery	Electrical Installation	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost								
As at 1st April 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
Additions	-	2.26	0.54	0.07	11.60	19.76	0.22	34.44
Disposals/Adjustments	-	-	-	-	0.13	-	4.24	4.38
As at 31st March 2021	1,133.25	103.17	38.31	131.20	66.43	123.93	145.58	1,741.86
Depreciation								
As at 1st April 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
Charge for the Year	44.29	8.95	2.67	5.81	4.16	14.13	11.17	91.17
Disposals	-	-	-	-	0.13	-	3.44	3.56
As at 31st March 2021	267.86	62.20	30.45	112.30	50.12	101.33	120.04	744.30
Net Block								
As at 1st April 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
As at 31st March 2021	865.39	40.97	7.86	18.90	16.31	22.60	25.54	997.56

- 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 2019	102.87
Additions	-
Disposals/Impairment	-
As at 31st March 2020	102.87
Additions	-
Disposals/Impairment	102.87
As at 31st March 2021	-
Depreciation	
As at 1st April 2019	21.25
Charge for the Year	21.31
Disposals	-
As at 31st March 2020	42.56
Charge for the Year	5.30
Disposals	47.85
As at 31st March 2021	-
Net Block	
As at 31st March 2021	-
As at 31st March 2020	60.31
As at 1st April 2019	81.62

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.

During the year ended March 31, 2021, Rs. 1.82 Lakhs has been accounted as Finance Cost and Rs. 5.30 Lakhs as Depreciation against the payment liability of Rs.6.99 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 2019	12.24
Additions	0.35
Disposals/Adjustments	-
As at 31st March 2020	12.59
Additions	0.65
Disposals/Adjustments	0.37
As at 31st March 2021	12.86
Depreciation	
As at 1st April 2019	7.44
Charge for the Year	1.30
Disposals	
As at 31st March 2020	8.74
Charge for the Year	0.91
Disposals	-
As at 31st March 2021	9.64
Net Block	
As at 1st April 2019	4.80
As at 31st March 2020	3.85
As at 31st March 2021	3.22

4D Intangible Under Development

Period	Software under Development
As at April 01,2019	8.25
For the Period	3.25
Capitalised	-
As at March 31, 2020	11.50
For the Period	8.53
Expensed off	2.90
Capitalised	
As at March 31, 2021	17.13

		As at	
		March 31, 2021	March 31, 2020
5	Goodwill on Consolidation	20.12	20.12
		20.12	20.12

		As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
6	Financial Assets	Non- Current		Current	
6.1	A Other Investments (At FVTPL)				
	Mutual Funds	-	-	34.28	31.63
	Total	-	-	34.28	31.63

A Quoted

In Mutual Funds		March 31, 2021		March 31, 2020	
		No of units	Amount	No of units	Amount
	Axis Banking & PSU Debt-G	551.47	11.36	551.47	10.54
	IDFC Banking & PSU Debt Reg-G	59,745.72	11.49	59,745.72	10.60
	IDFC Corporate Bond Reg-G	76,107.56	11.43	76,107.56	10.49
		1,36,404.74	34.28	1,36,404.74	31.63

		As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Non- Current		Current	
6.2	Trade Receivables				
	(Unsecured at Amortised Cost)				
i)	Considered good	-	-	5,342.51	5,802.75
ii)	Considered doubtful	-	-	185.19	138.01
	Less : Expected credit Loss	-	-	(185.19)	(138.01)
		-	-	5,342.51	5,802.75

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 impairment 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, 2021	March 31, 2020
Balance at the beginning of the period	138.01	90.20
Impairment loss recognised	47.18	47.80
Amount written off during the period	-	-
Provision at the end of the period	185.19	138.01

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
6.3 Loans and Advances				
(Unsecured Considered goods)				
i) Rent Deposits	-	14.37	19.39	15.42
ii) Earnest Money Deposits	37.94	32.18	-	-
iii) Other Security Deposits	1.94	1.94	-	-
iv) Loans to others	143.44	182.77	13.30	12.17
	183.32	231.26	32.69	27.59

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
6.4 Cash and Bank Balances				
A Cash and cash equivalents				
i) Balances with banks	-	-	1,643.51	489.82
ii) Cash on hand	-	-	1.44	1.94
iii) Cheques in hand	-	-	-	-
iv) Fixed Deposits with Bank	-	-	-	-
	-	-	1,644.95	491.76
B Other Bank Balances				
i) In Earmarked Accounts (*)	-	-	-	-
ii) Term Deposits with Banks (**)	-	-	716.08	155.90
Total	-	-	716.08	155.90

(*) 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
6.5 Others				
Unsecured Considered Good				
i) Contract Asset				
- Security Deposit and Retentions	680.81	395.72	-	-
- Unbilled Revenue	-	-	664.00	334.92
ii) Reimbursement Right for Gratuity-Contract Staff	129.81	102.51	103.98	88.44
iii) Interest Accrued On Deposits	-	-	5.46	27.15
iv) Term Deposits with Banks	514.29	415.20	-	-
v) Other Receivables	-	-	8.16	9.87
	1,324.91	913.43	781.60	460.38

	As at	
	March 31, 2021	March 31, 2020
7 Deferred Tax Asset		
a) Deferred Tax Asset on account of :		
i) Depreciation due to timing difference	1.00	0.95
ii) Unabsorbed depreciation	0.61	0.16
iii) Business Loss	15.36	15.07
	16.97	16.18

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
8 Other Assets				
i) Capital Advances	59.85	59.25	-	-
ii) Prepaid Expenses	-	-	111.08	72.38
iii) Prepaid Taxes (Net of Provision of Tax)	676.58	2,346.37	-	-
iv) Advance to suppliers	-	-	23.38	8.74
v) Balances with Tax Authorities	-	-	13.32	10.59
vi) Staff Advances	-	-	17.37	21.96
vii) Prepaid Gratuity	-	-	2.17	-
Total	736.43	2,405.62	167.32	113.67

		As at	
		March 31, 2021	March 31, 2020
9	Equity Share capital		
i)	Authorised shares :		
	March 31, 2021: 2,00,00,000 Equity shares of Rs 10/- each	2,000.00	2,000.00
	March 31, 2020 : 2,00,00,000 Equity shares of Rs 10/- each (Increased by way of postal ballot on 14th Oct, 2019)		
	Total	2,000.00	2,000.00
ii)	Issued and subscribed and Paid-up shares :		
	March 31, 2021: 1,47,84,000 Equity shares of Rs 10/- each	1,478.40	1,478.40
	March 31, 2020 : 1,47,84,000 Equity Shares of Rs. 10/- each		
	Total	1,478.40	1,478.40
	Total paid-up share capital	1,478.40	1,478.40

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at			
	March 31, 2021		March 31, 2020	
	Number	Amount	Number	Amount
Balance, beginning of the year	1,47,84,000	1,478.40	1,47,84,000	1,478.40
Issued during the year	-	-	-	-
Balance, end of the year	1,47,84,000	1,478.40	1,47,84,000	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, 2021		March 31, 2020	
	Number	%	Number	%
Equity Shares				
Mr. Virendra Dalpatram Sanghavi	75,95,000	51.37%	43,40,000	29.36%
Mrs. Niranjana Virendra Sanghavi	-	0.00%	32,55,000	22.02%
Mr. Jaydev Virendra Sanghavi	21,82,500	14.76%	21,70,000	14.68%
	97,77,500.00	66.14%	97,65,000	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 Hundred) 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, 2021	March 31, 2020
10	Other Equity		
i)	Retained Earnings	4,897.69	3,987.40
ii)	Securities Premium Account	1,492.29	1,492.29
iii)	General Reserve	567.37	567.37
iv)	Other Comprehensive Income	71.41	106.96
		7,028.76	6,154.02

11 Financial Liabilities (at amortized cost)

		As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Non- Current		Current	
11.1	Long term borrowings				
(i)	Loan from Non Banking Financial Institutions				
	Vehicle Loan	-	1.11	1.09	9.44
	Working Capital Loan	-	-	-	-
	Less: Shown under other financial liabilities (Refer Note 10.5)	-	-	(1.09)	(9.44)
(ii)	Loan from others	0.00	7.27	-	-
		0.00	8.38	-	-
	The break-up of above:				
	Secured	0.00	8.38	1.09	9.44
	Unsecured	-	-	-	-

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 59 equated monthly instalments of Rs 55,330/- each (including interest), commencing from Jun 16 onwards.

In respect of Overdraft and Working Capital demand loan

- First Pari Passu charge on Current Assets
- 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.
- Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi

Maturity Profile of Borrowings

		As at	
		March 31, 2021	March 31, 2020
	Instalment payable within one year	1.09	9.44
	Instalment payable between 2 to 5 years	-	1.11
	Instalment payable beyond 5 years	-	7.27
	Total	1.09	17.82

		As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
11.2	Lease Liability-ROU Assets	Non- Current		Current	
i)	Lease Liability	-	46.23	-	21.57
		-	-	-	-
	Total	-	46.23	-	21.57

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, 2021	March 31, 2020
Balance at the beginning	67.80	84.24
Addition during the year	-	-
Interest on lease liabilities	1.82	8.48
Lease Payments	6.99	24.92
Deletion	(62.62)	-
Closing	-	67.80

(b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability on an undiscounted basis.

Ageing	March 31, 2021	March 31, 2020
Within One year	-	27.96
Two to Five years	-	51.26
More than Five years	-	-
Total	-	79.22

- (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, 2021	March 31, 2020
11.3 Short Term Borrowings (at amortised cost)		
(Secured)		
Cash Credit Facility	352.60	874.10
Total	352.60	874.10

Security for loans and Terms of payment
In respect of Cash Credit from Yes Bank

- Pari Passu charge on hypothecation charge on Current Assets and all movable fixed assets.
- Equitable mortgage of commercial properties located at Shah & Nahar Industrial Estate, Lower Parel (Mumbai) and Marathon Nextgen Realty Limited, Lower Parel (Mumbai).
- Unconditional and Irrevocable Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi.
- 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

- First Pari Passu charge on present and future book debts of the company
- Pari Passu charge on property located at - Flat No 11 & 11A, Building O, 4th Floor, Konark Campus Co-operative Housing Society, Lohegaon Village, Taluka Haveli, Pune.
- Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi
- Pledged fixed deposits amounting to INR 30,00,000/-.

	As at	
	March 31, 2021	March 31, 2020
11.4 Trade Payables (at amortised cost)		
i) Trade payables - Micro, small and medium enterprises	28.68	-
ii) Trade payables - Others	513.79	949.36
Total	542.47	949.36

a) Amounts due to Micro, Small and Medium Enterprises

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
11.5 Other Financial Liabilities (At Amortised Cost)				
i) Current Maturities of Long term Borrowings	-	-	1.09	9.44
ii) Advance from Customers	-	-	-	-
iii) Employee Liabilities	-	-	1,607.59	1,304.75
iv) Employee Benefit Liability-Contract Staff	129.81	102.51	103.98	88.44
v) Others	-	-	5.66	2.03
	129.81	102.51	1,718.32	1,404.66

	As at	
	March 31, 2021	March 31, 2020
12 Deferred Tax Liability		
a) Deferred Tax Liability on account of :		
i) Depreciation due to timing difference	43.91	51.12
b) Deferred Tax Asset on account of :		
i) Employee Benefits	11.02	18.66
ii) Right of Use Asset	-	2.08
	32.89	30.38

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
13 Other Liabilities				
i) Duties and Taxes payable	-	-	735.85	718.17
Total	-	-	735.85	718.17

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
14 Provisions				
i) Provision for Employee Benefits				
Provision for Gratuity	-	2.47	-	10.82
	-	2.47	-	10.82

a) Disclosure in accordance 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, 2021	As on March 31, 2020
(a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	83.19	69.28
Current Service Cost	10.81	10.25
Interest Cost	5.43	5.13
Actuarial (Gain) /Loss-Other Comprehensive Income	(4.02)	(0.14)
Benefits paid	(3.32)	(1.32)
Defined Benefit obligation at the year end	92.09	83.19
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	69.90	69.28
Adjustment to the Opening fund	1.43	-
Expected return on Plan Assets	8.08	(2.33)
Interest Income	4.88	4.28
Employer Contribution	13.29	-
Benefits Paid	(3.32)	(1.32)
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	94.26	69.90
(c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	94.26	69.90
Present value of Defined Benefit obligation	92.09	83.19
Liability recognized in Balance Sheet	(2.17)	13.29

(d) Expenses recognized during the year (Under the head “ Employees Benefit Expenses)		
Current Service Cost	10.81	10.25
Interest Cost	5.43	5.13
Expected Rate of return on Plan Assets	8.08	(2.33)
Net Cost	24.32	13.04
(e) Actuarial (Gain)/Loss- Other Comprehensive Income	(12.10)	2.19
(f) Net liabilities recognised in the balance sheet		
Long-term provisions	-	-
Short-term provisions/(Loans and Advances)	(2.17)	13.29
	(2.17)	13.29
ii) Actuarial Assumptions		
Particulars	As on March 31, 2021	As on March 31, 2020
Discount rate (per annum)	6.50%	6.90%
Rate of escalation in salary (per annum)	7.00%	7.00%
Attrition Rate		
Younger Age	50%	50%
Older Age	5%	5%
Rate of return on plan assets (per annum)	6.50%	6.90%

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 unfunded 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, 2021	0.50%	0.50%	10.00%
March 31, 2020	0.50%	0.50%	10.00%
Increase in assumption			
March 31, 2021	(89.03)	94.90	92.05
March 31, 2020	(80.47)	85.64	83.20
Decrease in assumption			
March 31, 2021	95.36	(89.43)	(92.12)
March 31, 2020	86.09	(80.83)	(83.16)

(iv) Actuarial Risk:
A Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following 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 Group 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 same will have to be recognized immediately in the year when any such amendment is effective.

		As at	
		March 31, 2021	March 31, 2020
15	Current Tax Liabilities (Net)		
	a) Provision for Tax (Net of Taxes Paid)	-	-
		-	-
		Year Ended March 2021	Year Ended March 2020
16	Revenue from Operations		
	i) Revenue from Manpower Services		
	Supply of Manpower and Consultancy Fees	18,799.28	19,023.32
	Fees for Business Consultancy	1,212.66	2,683.24
	Fees for Placement Services	0.33	0.40
	ii) Other Operating Revenue	166.29	98.08
		20,178.56	21,805.04

I Disclosure in accordance with Ind AS - 115 “Revenue Recognition Disclosures”, of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Service Type and Customer type:

(i) Revenue disaggregation by type of Service is as follows:

Major Service Type	2020-21	2019-20
Manpower Supply and Consultancy Fees	18,799.28	19,023.32
Fees for Business Consultancy	1,212.66	2,683.24
Fees for Placement Services	0.33	0.40
Reimbursement Income for Services Provided	166.29	98.08
	20,178.56	21,805.04

(ii) Revenue disaggregation by Customer Type is as follows:

Customer Type	2020-21	2019-20
Government Companies	7,965.54	5,468.87
Non Government Companies	12,213.02	16,336.16
	20,178.56	21,805.04

(iii) Movement in Contract Balances

Particulars	Opening	Billed for the Financial Year	Addition during the year	Closing
Advance from Customers				
March 2021	-	-	-	-
March 2020	-	-	-	-

Particulars	Opening	Billed/ Reversed for the Financial Year	Addition during the year	Closing
Unbilled Revenue				
March 2021	334.92	334.92	664.00	664.00
March 2020	369.00	369.00	334.92	334.92

(iv) 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 2021	Year Ended March 2020
17 Other Income		
i) Interest Income on Financial Assets at FVTPL	2.65	1.63
ii) Interest Income on Fixed Deposits	41.56	50.21
iii) Interest Income on Loans and Advances	0.34	0.43
iv) Profit on Sale of Property, Plant and Equipment	-	1.84
v) Reversal of Provision for Expected Credit Loss	-	-
vi) Interest Income on Financial Assets at amortised cost	10.85	0.97
vii) Interest Income on Income Tax Refund	170.04	4.52
viii) Sundry Balance written Back	4.16	0.32
	229.61	59.92
18 Employee Benefit Expenses		
i) Salaries & Wages, Bonus, Perquisites, etc	14,314.86	13,371.69
ii) Contribution to Provident, Gratuity funds	919.34	838.82
iii) Managerial Remuneration	336.00	336.00
iv) Staff Insurance	121.33	97.60
v) Staff Welfare	15.12	29.35
	15,706.65	14,673.47
19 Finance Cost		
i) Interest Expense on Lease Liability	1.82	8.48
ii) Interest on Borrowings	52.53	150.55
iii) Interest on Income Tax	-	-
iv) Interest on Indirect Taxes	2.31	1.09
	56.66	160.12
20 Depreciation and Amortization		
i) Depreciation on Property, Plant & Equipment	92.07	102.80
ii) Depreciation on Right of Use Assets	5.30	21.31
Total	97.37	124.11
21 Other expenses		
Assets Scrapped	0.53	4.30
Remuneration to Auditor	11.57	11.90
Remuneration to Component Auditors	3.46	1.04
Directors Remuneration	3.60	2.70
Travelling Expenses	427.25	585.39
Expected Credit Loss	47.18	47.80
Site related Expenses	132.60	96.06
Consumables purchased	136.76	105.59
Professional Fees - Project	1,844.36	4,259.40
Rates and Taxes	0.78	5.16

	Year Ended March 2021	Year Ended March 2020
Power and Fuel	19.57	33.38
Rent	87.74	132.66
Membership & Subscription	12.09	18.85
Health and Safety Expenses	59.84	91.27
Housekeeping Expenses	9.27	5.23
Insurance Charges	10.23	6.77
Advertisement Expenses	14.59	25.69
Donation	2.10	2.81
Motor Car Expenses	5.57	3.51
Food and Accommodation Expenses	378.36	479.45
Printing and Stationery Expenses	10.55	14.88
Legal & Professional Charges	92.21	86.99
Business Promotion Expenses	1.32	6.19
Telephone Charges	15.87	25.41
Bank Charges	18.77	24.65
Corporate Social Responsibility Expenses	32.41	13.45
Water Charges	6.28	7.40
Repairs and Maintenance Expenses	9.36	8.19
Foreign Exchange Loss	3.88	1.89
Office Maintenance Expenses	13.17	19.77
Other Expenses (None of which individually forms more than 1% of the Operating Revenue)	105.43	84.07
Total	3,516.70	6,211.85
a) Payment to auditors		
Audit fee	8.00	8.00
Tax Audit	2.00	2.00
Tax Matters	1.57	1.90
Total payments to auditors	11.57	11.90
b) Payment to Component auditors		
Audit fee	3.46	1.04
Tax Audit		
Tax Matters		
Total payments to Component auditors	3.46	1.04
22 Tax Expense		
a) Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	64.20
Short/Excess Provision of Tax	(97.55)	(36.96)
Minimum alternative tax entitlement	80.60	(43.59)
Deferred Tax	1.72	(6.02)
Income tax recognised in statement of profit or loss	(15.23)	(22.38)

	Year Ended March 2021	Year Ended March 2020
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	1,030.79	695.42
Less : Non taxable profit or Loss of Subsidiaries	179.77	339.32
Taxable Profit or loss	851.03	356.10
Enacted tax rates in India (%)	25.168%	27.820%
Computed expected tax expenses	214.19	99.07
Effect of non- deductible expenses	108.90	85.55
Effects of deductible Expenses	(323.09)	(164.01)
Income tax expenses - Net	(0.00)	20.60
Tax liability as per Minimum Alternate Tax on book profits		
Minimum Alternate Tax rate		16.69%
Computed tax liability on book profits		59.44
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
Differential MAT Provided in Subsequent year		-
Minimum Alternate Tax on Book Profit	-	64.20
Higher of A or B	-	64.20

Note: The Company has opted for income tax under Section 115BAA of the Income tax act, 1961. As per provisions of the Act, the domestic companies opting for section 115BAA will not be able to claim MAT credits for taxes paid under MAT during the tax holiday period. The companies would not be able to reduce their tax liabilities under section 115BAA by claiming MAT credits.

Therefore, the Company has reversed all the MAT credit during the year.

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-				
Particulars	Opening	Recognised in P&L	Recognised in OCI	Closing
As at April 01, 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
Property, Plant and Equipment	51.12	(7.21)	-	43.91
Employee benefits	(18.66)	7.63	-	(11.02)
Right of Use Asset	(2.08)	2.08	-	-
As at March 31, 2021	30.38	2.50	-	32.89

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 2021	Year Ended March 2020
Net profit attributable to owners of the Holding Company	1,046.02	717.80
Outstanding equity shares at period end - Nos	1,47,84,000	1,47,84,000
Weighted average Number of Shares outstanding during the period – Basic	1,47,84,000	1,47,84,000
Weighted average Number of Shares outstanding during the period - Diluted	1,47,84,000	1,47,84,000
Earnings per Share - Basic (Rs.)	7.08	4.86
Earnings per Share - Diluted (Rs.)	7.08	4.86

Reconciliation of weighted number of outstanding during the period:

Particulars	Year Ended March 2021	Year Ended March 2020
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	1,47,84,000	1,47,84,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	1,47,84,000	1,47,84,000
Weighted average number of equity shares at the end of the period	1,47,84,000	1,47,84,000
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	1,47,84,000	1,47,84,000
Weighted average number of equity shares used in calculating diluted EPS	1,47,84,000	1,47,84,000

24 Contingent Liabilities

Particulars	March 31, 2021	March 31, 2020
Bank Guarantees	405.56	318.14
Total	405.56	318.14

25 Commitments

Particulars	March 31, 2021	March 31, 2020
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)	-	-
Total	-	-

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, 2021	March 31, 2020
Revenue from geographical segment		
-Within India	18,965.90	19,121.80
-Outside India - UAE	1,212.66	2,683.24
Total	20,178.56	21,805.04

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 20% of the total revenue earned during the year ended March 31, 2021. (March 31, 2020: Top 1 customer accounted for 16% of the total revenue earned).

27 Disclosure of Business Combination as per Ind AS 103

I There are no new acquisitions taken place during the year ended March 31, 2021.

II Acquisition during the year ended March 31, 2019

Background 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, 2021	Proportion of ownership (%) as at March 31, 2020
(i)	Subsidiary companies				
1	Aarvi Engineering & Consultants Private Limited	India	Manpower and Consultancy Service	100.00	100.00
2	Aarvi Encon FZE	UAE		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

Energjobz 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	-	4.83	-	4.83
	-	(4.61)	-	(4.61)
Rent				
Mrs. Niranjana V Sanghavi	-	-	-	-
	-	-	(13.20)	(13.20)
Salaries and wages				
Mrs. Naini N. Kulkarni	-	-	22.75	22.75
	-	-	(22.75)	(22.75)
Mrs. Ami J. Sanghavi	-	-	7.80	7.80
	-	-	(7.80)	(7.80)
Mr. Aditya Sanghavi	-	-	0.30	0.30
	-	-	-	-
Director sitting fees				
Mrs Niranjana V Sanghavi	-	-	-	-
	-	-	(0.20)	(0.20)
Mr. Devendra J Shrimanker, Independent Director	-	1.15		1.15
		(0.95)		(0.95)
Mrs. Sonal N Doshi, Independent Director	-	1.15		1.15
		(0.75)		(0.75)
Mrs. Padma V Devarajan, Independent Director	-	0.90		0.90
		(0.80)		(0.80)
Mr. Sharad Sanghi, Independent Director		0.40		0.40
		-		-

Dividend paid				
Mr. Virendra Sanghavi	-	43.40	-	43.40
	-	(43.40)	-	(43.40)
Mrs. Niranjana V Sanghavi	-	-	32.55	32.55
	-	-	(32.55)	(32.55)
Mr. Jaydev Sanghavi	-	21.72	-	21.72
	-	(21.70)	-	(21.70)
Mrs. Ami Jaydev Sanghavi	-	-	2.71	2.71
	-	-	(2.71)	(2.71)
Mr. Aditya Jaydev Sanghavi	-	-	1.63	1.63
	-	-	(1.63)	(1.63)
Mrs. Naini Ninad Kulkarni	-	-	5.43	5.43
	-	-	(5.43)	(5.43)
Mr. Ninad V. Kulkarni	-	-	1.09	1.09
	-	-	(1.09)	(1.09)
Rent Deposit				
Mrs. Niranjana V Sanghavi	-	-	0.70	0.70
	-	-	(0.70)	(0.70)
Outstanding				
Mr. Virendra Sanghavi	-	78.99	-	78.99
	-	(58.87)	-	(58.87)
Mr. Jaydev Sanghavi	-	98.74	-	98.74
	-	(85.90)	-	(85.90)
Mrs. Niranjana V Sanghavi	-	-	2.67	2.67
	-	-	(1.68)	(1.68)
Mrs. Naini N. Kulkarni	-	-	0.43	0.43
	-	-	(0.58)	(0.58)
Mrs. Ami J. Sanghavi	-	-	0.15	0.15
	-	-	-	-

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 2020-21

a Gross amount required to be spent by the Company during the year : Rs. 22.87 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 preventive 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.	32.41	-	32.41
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	32.41	-	32.41

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 preventive 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

31 Derivative Instruments and Unhedged Foreign Currency Exposure

(i) There are no derivative instruments outstanding as at March 31, 2021 and March 31, 2020.

(ii) Unhedged foreign currency exposure towards receivables outstanding as at March 31, 2021 and March 31, 2020 is as under:

Particulars	As at			
	March 31,2021		March 31,2020	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables				
a) USD	-	-	-	-

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 grouping disclosures, and the disclosures of contingent liabilities. Uncertainty 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 Financial Instruments

- i) The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

	Carrying Value		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
a) Financial Assets				
Amortised Cost				
Trade Receivable	5,342.51	5,802.75	5,342.51	5,802.75
Loans and Advances	216.01	258.85	216.01	258.85
Cash and cash equivalents	1,644.95	491.76	1,644.95	491.76
Other Bank balances	716.08	155.90	716.08	155.90
Other	2,106.51	1,373.81	2,106.51	1,373.81
Total Financial Assets	10,026.06	8,083.07	10,026.06	8,083.07
b) Financial Liabilities				
Amortised Cost				
Borrowings	353.70	891.92	353.70	891.92
Trade payables	542.47	949.36	542.47	949.36
Others	1,847.04	1,497.73	1,847.04	1,497.73
Total Financial Liabilities	2,743.20	3,339.01	2,743.20	3,339.01

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.

34 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, 2021 and March 31, 2020.

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-21	34.28	-	-
Total financial assets		34.28	-	-
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-20	31.63	-	-
Total financial assets		31.63	-	-

35 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, 2021	March 31, 2020
Current Assets		
Investment	34.28	31.63
Trade receivable	5,342.51	5,802.75
Cash and Cash Equivalent	1,644.95	491.76
Bank Balance	716.08	155.90
Loans and Advances	32.69	27.59
Other Financial Asset	781.60	460.38
Other Current Assets	167.32	113.67
Total	8,719.44	7,083.69
Less:		
Current Liabilities		
Borrowings	353.70	883.54
Lease Liability	-	21.57
Trade Payables	542.47	949.36
Others	2,453.08	2,113.39
Total	3,349.25	3,967.86
Net Working Capital	5,370.19	3,115.83

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, 2021			
Borrowings	352.60	-	352.60
Trade Payables	542.47	-	542.47
Other Financial Liabilities	1,718.32	129.81	1,848.13
Total	2,613.39	129.81	2,743.20
As at March 31, 2020			
Borrowings	883.54	8.38	891.92
Trade Payables	949.36	-	949.36
Other Financial Liabilities	1,395.22	102.51	1,497.73
Total	3,228.12	110.89	3,339.01

36 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, 2021	March 31, 2020
Gross Debt	352.60	891.92
Less:		
Cash and Cash Equivalent	1,644.95	491.76
Other Bank Balances	716.08	155.90
Net debt (A)	(2,008.42)	244.26
Total Equity (B)	8,507.16	7,632.42
Gearing ratio (A/B)	(0.24)	0.03

37 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 strategic initiatives .The Shareholder have duly approved the same by way of postal ballot on November 30, 2019.

38 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. As Aarvi provides services to essential services like Oil & Gas, CGD, Power etc, the work continued at reduced pace. The New deputation had reduced during lockdown period. Aarvi has started given paramedic people to few of our clients at project site.
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 its 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. The expected growth might take a hit. Currently we are focus on essential services which will help in the business growth
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. As the international borders sealed, the international business has been hit due to non availability of Visa and local mobilisation.
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	Financial servicing would be comfortable as the company has prepared financial Budgets considering worse scenario. Also Company has received large IT refunds for the FY 18 - 19 and also FY 19 - 20.
v.	Assets	All assets are safe and well protected
vi.	Internal financial reporting and control	The Company has an adequate internal financial control systems over financial reporting commensurate to its size and nature of business.
vii.	Supply Chain	The supply chain was disrupted in view of lockdown in March 2020.
viii.	Demand for its products/services	During the start of the year i.e. Q1 of the year 20 - 21, The demand had reduced drastically. No major mobilization has happened in quarter April to June 2020. However company signed couple of major projects and is seeing better outcome.
7	Existing contracts /agreement where non-fulfilment of the obligation by any party will have significant impact on the listed entity's business	The Company is well positioned to fulfil its obligations and existing contracts/arrangements.
8	Other relevant material updates about the business	Not Applicable

39 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

Balance Sheet :

Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss :

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

40 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.

- 41 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, 2021.

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

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Arvind H. Shah
Proprietor
M.No. 031224

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

Place : Mumbai
Date : 3rd June, 2021

Statement 2

Note to the Consolidated Financial Statements for the Year Ended March 31, 2021

Disclosure as per Schedule III of Companies Act, 2013

(Rs. in lakhs)

Name of the entity	2020-21						2019-20					
	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	85.15%	7,243.81	82.74%	865.47	-51.64%	12.11	85.35%	6,514.07	52.49%	376.76	-2.92%	-2.19
b) Subsidiaries												
Aarvi Engineering & Consultants Private Limited	0.56%	47.83	0.24%	2.47	0.00%	0.00	0.59%	45.35	-0.03%	(0.23)	2.48%	1.86
Aarvi Encon FZE	14.29%	1,215.51	17.02%	178.08	151.64%	(35.55)	14.06%	1,072.99	47.54%	341.27	100.44%	75.24
Aarvi Encon Resources Limited - UK	0.00%	0.01	0.00%	-	0.00%	-	0.00%	(0.01)	0.00%	-	0.01%	0.01
Grand Total	100.00%	8,507.17	100.00%	1,046.02	100.00%	(23.45)	100.00%	7,632.41	100.00%	717.80	100.00%	74.92

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, 2021, 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, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit

of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

1. Revenue Recognition

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

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

Auditor's Responses

Principal Audit Procedures

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

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

Key Audit Matter

1. *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, 2021 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, 2021 and are

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 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.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive

Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the applicable 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 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in 'Annexure 2'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact 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. : 21031224AAAAFB1527

Place : Mumbai.
Date : 3rd June, 2021

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 2021, 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, 2021 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. 15,36,690/- towards Tax Deducted at Source in respect of the above were in arrears as at March 31, 2021 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	30,84,672	A.Y-2018-19	CIT (Appeal)
Income Tax Act, 1961	Income tax	1,16,07,077	A.Y. 2020-21	CIT (Appeal)

- (VIII) 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. : 21031224AAAAFB1527

Place : Mumbai.
Date : 3rd June, 2021.

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 2021 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 2021, 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. : 21031224AAAFAFB1527

Place: Mumbai.
Date : 3rd June, 2021

Standalone Balance Sheet as at March 31, 2021

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	996.50	1,053.69
(b) Right of Use Asset	2	-	60.31
(c) Other Intangible Assets	3	3.21	3.44
(d) Intangible Asset Under Development	4	17.13	11.50
(e) Financial Assets	5		
(i) Investments	5.1	67.43	67.43
(ii) Loans and Advances	5.3	63.56	56.50
(iii) Others	5.5	1,300.75	895.04
(f) Other non current assets	6	736.38	2,405.60
		3,184.96	4,553.52
(2) Current Assets			
(a) Financial Assets	5		
(i) Investments	5.1	-	-
(ii) Trade Receivable	5.2	4,871.81	4,833.82
(iii) Cash and cash equivalents	5.4	893.81	7.94
(iv) Other Bank Balances	5.4	716.08	155.90
(v) Loans and Advances	5.3	19.39	29.80
(vi) Others	5.5	781.60	460.38
(b) Other current assets	6	154.99	106.30
		7,437.68	5,594.13
Total Assets		10,622.64	10,147.65
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	7	1,478.40	1,478.40
(b) Other Equity	8	5,765.41	5,035.67
		7,243.81	6,514.07
Liabilities			
Non-current liabilities			
(a) Financial Liabilities	9		
(i) Borrowings	9.1	-	1.11
(ii) Lease Liability	9.2	-	(0.00)
(iii) Others	9.5	129.81	102.51
(b) Provisions	12	-	2.47
(c) Deferred Tax Liabilities (Net)	10	32.89	30.38
(d) Other Non-current liabilities	11	-	-
		162.70	136.47
Current liabilities			
(a) Financial Liabilities	9		
(i) Borrowings	9.3	352.60	874.10
(ii) Lease Liability	9.2	-	67.80
(iii) Trade payables	9.4	435.35	462.31
(iv) Others	9.5	1,696.01	1,369.31
(b) Other current liabilities	11	732.17	712.77
(b) Provisions	12	-	10.82
(c) Liabilities for current tax (net)	13	-	-
			3,497.11
Total Equity and Liabilities		10,622.64	10,147.65

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 : 3rd June, 2021

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Standalone Statement of Profit and Loss for the year ended March 31, 2021

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from Operations (Gross)	14	18,965.57	19,121.40
II Other Income	15	228.26	61.98
III Total Revenue (I + II)		19,193.83	19,183.38
IV Expenses:			
Employee Benefit Expenses	16	15,492.83	14,382.63
Finance Cost	17	56.63	160.11
Depreciation and amortisation expense	18	96.93	122.34
Other Expenses	19	2,696.41	4,162.20
Total Expenses (IV)		18,342.80	18,827.28
V Profit/(Loss) Before Tax (III-IV)		851.03	356.10
VI Tax Expense	20		
1. Current Tax		-	64.20
2. Short/Excess Provision of Tax		(97.55)	(37.01)
3. Deferred Tax (Credit)/Charge		83.11	(49.71)
Total Tax Expenses (VI)		(14.44)	(22.52)
VII Profit/(Loss) for the period (V-VI)		865.47	378.62
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		12.11	(2.19)
(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		12.11	(2.19)
XIV Total comprehensive income for the year		877.58	376.43
Earnings per Share			
Basic & Diluted	21	5.85	2.56
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 : 3rd June, 2021

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Statement of Changes in Equity

(All figures are in lakhs unless otherwise stated)

A Equity

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	1,47,84,000	1,478.40	1,47,84,000	1,478.40
Changes in equity share capital during the year	-	-	-	-
Balance at the end of Reporting period	1,47,84,000	1,478.40	1,47,84,000	1,478.40

B Other Equity

Particulars	Retained Earnings	Securities Premium	General Reserve	Total
Balance as at April 1, 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 Utilised for Writing of/ Reversal of Share Issue Expenses	-	-	-	-
Defined Benefit Obligation	(2.19)	-	-	(2.19)
Balance as at 31 March 2020	2,976.02	1,492.29	567.37	5,035.67
Profit/(Loss) for the year	865.47	-	-	865.47
Dividend & Dividend Distribution tax	(147.84)	-	-	(147.84)
Less Deferred tax liability on above	-	-	-	-
Defined Benefit Obligation	12.11	-	-	12.11
Balance as at 31 March 2021	3,705.75	1,492.29	567.37	5,765.41

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 : 3rd June, 2021

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Cash Flow Statement for the period ended March 31, 2021

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	2020-21	2019-20
Cash flows from operating activities		
Profit /(loss) before tax	851.03	356.10
Adjustments:		
Depreciation & amortisation	96.93	122.34
Re-measurement of defined benefit obligation	12.11	(2.19)
Interest expense	54.81	151.63
Interest expense on Lease Liability	1.82	8.48
Interest income	(224.82)	(57.95)
Liabilities no longer required written back	(4.16)	(0.32)
Expected Credit Loss	47.18	47.80
Profit on sale of property, plant and equipment	-	(1.84)
Loss on sale of property, plant and equipment	0.53	4.30
	(15.60)	272.25
Operating cash flows before working capital changes and other assets	835.43	628.35
Decrease/ (increase) in Trade receivables	(85.17)	(659.30)
Decrease/ (increase) in Financial Assets	(1,283.77)	89.70
Decrease/ (increase) in Other Assets	(48.69)	(8.06)
(Decrease)/increase in Trade Payables	(22.80)	129.47
(Decrease)/increase in Financial Liabilities	354.00	(129.69)
(Decrease)/increase in Other Liabilities	6.10	32.20
	(1,080.32)	(545.68)
Cash generated from /used in operations	(244.89)	82.67
Income taxes refund / (paid), net	1,686.76	(171.72)
Net cash generated from / used in operating activities	1,441.87	(89.05)
Cash flows from investing activities		
Purchase of property, plant and equipment and CWIP	(40.32)	(35.08)
Proceeds from sale of property, plant and equipment	-	4.91
Purchase of intangible assets	(0.65)	-
Interest Received	224.82	57.95
Net cash generated from investing activities	183.85	27.78
Cash flows from financing activities		
Repayment of long-term borrowings	(1.11)	(12.63)
Net Proceeds from short -term borrowings	-	174.53
Repayment of short -term borrowings	(521.50)	-
Lease Liability:		
Principal	(12.78)	(16.44)
Interest	(1.82)	(8.48)
Dividend & Dividend Distribution tax	(147.84)	(178.23)
Interest paid	(54.81)	(151.63)
Net cash used in financing activities	(739.85)	(192.88)
Net increase / decrease in cash and cash equivalents	885.87	(254.15)
Cash and cash equivalents at the beginning of the period	7.94	262.09
Cash and cash equivalents at the end of the period	893.81	7.94
	885.87	(254.15)

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 : 3rd June, 2021

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

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, Marathon 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 listed on the Main Board of National Stock Exchange of India Ltd w.e.f. 24th June, 2020:

The Company has undertaken an Initial Public issue of equity shares and subsequently got its equity shares listed on the National Stock Exchange, Emerge (SME Segment) with effect from 5th October 2017.

On 4th November, 2019, the Company received in principle approval for migration of trading in the equity shares of the company from SME Platform (EMERGE) to Main Board.

Further, the Company has completed the migration of its shares from National Stock Exchange (NSE) Emerge (SME segment) platform to the Main Board of National Stock Exchange of India Ltd w.e.f. 24th June, 2020.

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.

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 written 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) Intangible 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.

h) 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.

i) 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 derecognised 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.

j) 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.

k) 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) Minimum Alternate Tax (MAT) Credit:

The Company has opted for income tax under Section 115BAA of the Income tax act, 1961. As per provisions of the Act, the domestic companies opting for section 115BAA will not be able to claim MAT credits for taxes paid under MAT during the tax holiday period. The companies would not be able to reduce their tax liabilities under section 115BAA by claiming MAT credits. Therefore, the Company has reversed all the MAT credit during the year.

i) 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.

m) 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.

n) 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.

o) 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. Actuarial 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.

p) 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.

Notes to financial statements as at and for the year ended March 31, 2021

1 Property, Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block Asset Class Wise-2020-21

Tangible Assets

Particulars	Office Premises	Plant & Machinery	Electrical Installation	Furniture & Fixtures	Office Computers Equipments	Vehicles	Total
Cost							
As at 1st April 2019	1,133.25	114.04	37.77	128.16	119.05	374.18	2,106.43
Additions	-	0.89	-	1.27	3.08	12.72	31.48
Disposals/Adjustments	-	14.03	-	11.00	68.58	288.06	445.56
As at 31st March 2020	1,133.25	100.91	37.77	118.42	53.55	98.84	1,692.35
Additions	-	2.26	0.54	-	11.60	19.76	34.37
Disposals/Adjustments	-	-	-	-	0.13	-	4.38
As at 31st March 2021	1,133.25	103.17	38.31	118.42	65.02	118.59	1,722.34
Depreciation							
As at 1st April 2019	177.02	56.49	24.25	96.45	108.17	354.26	976.85
Charge for the Year	46.55	10.80	3.53	7.76	4.43	14.05	99.99
Disposals	-	14.03	-	9.27	67.69	286.42	438.19
As at 31st March 2020	223.57	53.25	27.78	94.93	44.92	81.89	638.66
Charge for the Year	44.29	8.95	2.67	5.47	4.08	14.13	90.75
Disposals	-	-	-	-	0.13	-	3.56
As at 31st March 2021	267.86	62.20	30.45	100.40	48.87	96.02	725.84
Net Block							
As at 31st March 2021	865.39	40.97	7.86	18.02	16.15	22.57	996.50
As at 31st March 2020	909.67	47.65	9.99	23.49	8.63	16.95	1,053.69
As at 1st April 2019	956.22	57.56	13.52	31.71	10.88	39.78	1,129.58

Notes to financial statements as at and for the year ended March 31, 2021

2 Right of Use Asset

Particulars	Amount
As at 1st April 2019	102.87
Additions	-
Disposals/Impairment	-
As at 31st March 2020	102.87
Additions	-
Disposals/Impairment	102.87
As at 31st March 2021	0.00
Depreciation	
As at 1st April 2019	21.25
Charge for the Year	21.31
Disposals	-
As at 31st March 2020	42.56
Charge for the Year	5.30
Disposals	47.85
As at 31st March 2021	0.00
Net Block	
As at 31st March 2021	(0.00)
As at 31st March 2020	60.31
As at 1st April 2019	81.62

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.

During the year ended March 31, 2021, Rs. 1.82 Lakhs has been accounted as Finance Cost and Rs. 5.30 Lakhs as Depreciation against the payment liability of Rs.6.99 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.

Notes to financial statements as at and for the year ended March 31, 2021

3 Intangible Asset

Particular	Software
Cost	
As at 1st April 2019	6.79
Additions	0.35
Disposals/Adjustments	-
As at 31st March 2020	7.14
Additions	0.65
Disposals/Adjustments	-
As at 31st March 2021	7.79
Depreciation	
As at 1st April 2019	2.67
Charge for the Year	1.03
Disposals	-
As at 31st March 2020	3.70
Charge for the Year	0.88
Disposals	-
As at 31st March 2021	4.58
Net Block	
As at 31st March 2021	3.21
As at 31st March 2020	3.44
As at 1st April 2019	4.12

4 Intangible Under Development

Period	Software under Development
As at April 01, 2019	8.25
For the Period	3.25
Capitalised	-
As at March 31, 2020	11.50
For the Period	8.53
Expensed Out	2.90
Capitalised	-
As at March 31, 2021	17.13

Notes to financial statements as at and for the year ended March 31, 2021

(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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
(i) Equity instrument of subsidiaries-wholly-owned	67.43	67.43	-	-
Total	67.43	67.43	-	-

I Details of Investments

Particulars	March 31, 2021		March 31, 2020	
	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
Aarvi Encon FZE (FV 150000/- each)	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

5.2 Trade Receivables

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
(Unsecured at Amortised Cost)				
i) Considered good	-	-	4,871.81	4,833.82
ii) Considered doubtful	-	-	185.19	138.01
Less : Expected credit Loss	-	-	(185.19)	(138.01)
	-	-	4,871.81	4,833.82

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 impairment 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, 2021	March 31, 2020
Balance at the beginning of the period	138.01	90.20
Impairment loss recognised	47.18	47.80
Amount written off during the period	-	-
Provision at the end of the period	185.19	138.01

Notes to financial statements as at and for the year ended March 31, 2021

5.3 Loans and Advances

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
(Unsecured Considered goods)				
i) Rent Deposits	-	-	19.39	29.80
ii) Earnest Money Deposits	36.53	30.77	-	-
iii) Other Security Deposits	1.94	1.94	-	-
iv) Loans to Related Parties	25.09	23.79	-	-
	63.56	56.50	19.39	29.80

a) The break-up of Loans granted by the Company to related parties is as under :

Company Name	As at	
	March 31, 2021	March 31, 2020
Considered Good		
Aarvi Encon FZE	25.09	23.79
	25.09	23.79

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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
A Cash and cash equivalents				
i) Balances with banks	-	-	893.49	7.29
ii) Cash on hand	-	-	0.32	0.64
iii) Cheques in hand	-	-	-	-
iv) Fixed Deposits with Bank	-	-	-	-
	-	-	893.81	7.94
B Other Bank Balances				
i) In Earmarked Accounts (*)	-	-	-	-
ii) Term Deposits with Banks (**)	-	-	716.08	155.90
Total	-	-	716.08	155.90

(*) 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

Notes to financial statements as at and for the year ended March 31, 2021

5.5 Others

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
Unsecured Considered Good				
i) Contract Asset				
- Security Deposit and Retentions	656.65	377.33	-	-
- Unbilled Revenue	-	-	664.00	334.92
ii) Reimbursement Right for Gratuity- Contract Staff	129.81	102.51	103.98	88.44
iii) Interest Accrued On Deposits	-	-	5.46	27.15
iv) Term Deposits with Banks	514.29	415.20	-	-
v) Other Receivables	-	-	8.16	9.87
	1,300.75	895.04	781.60	460.38

6 Other Assets

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
i) Capital Advances	59.85	59.25	-	-
ii) Prepaid Expenses	-	-	100.81	67.37
iii) Prepaid Taxes (Net of Provision of Tax)	676.54	2,346.35	-	-
iv) Advance to suppliers	-	-	23.38	8.74
v) Balances with Tax Authorities	-	-	13.03	10.33
vi) Staff Advances	-	-	15.60	19.86
vii) Prepaid Gratuity			2.17	
Total	736.38	2,405.60	154.99	106.30

7 Equity Share capital

	As at	
	March 31, 2021	March 31, 2020
i) Authorised shares :		
March 31, 2021 : 2,00,00,000 Equity shares of Rs 10/- each March 31, 2020: 2,00,00,000 Equity shares of Rs 10/- each (Increased by way of postal ballot on 14th Oct, 2019)	2,000.00	2,000.00
Total	2,000.00	2,000.00
ii) Issued and subscribed and Paid-up shares :		
March 31, 2021: 1,47,84,000 Equity shares of Rs 10/- each March 31, 2020 : 1,47,84,000 Equity Shares of Rs. 10/- each	1,478.40	1,478.40
Total	1,478.40	1,478.40
Total paid-up share capital	1,478.40	1,478.40

Notes to financial statements as at and for the year ended March 31, 2021

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at			
	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2020
	Number	Amount	Number	Amount
Balance, beginning of the period	1,47,84,000	1,478.40	1,47,84,000	1,478.40
Issued during the period	-	-	-	-
Balance, end of the period	1,47,84,000	1,478.40	1,47,84,000	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, 2021		March 31, 2020	
	Number	%	Number	%
Equity Shares				
Mr. Virendra Dalpatram Sanghavi	75,95,000	51.37%	43,40,000	29.36%
Mrs. Niranjana Virendra Sanghavi	-	0.00%	32,55,000	22.02%
Mr. Jaydev Virendra Sanghavi	21,82,500	14.76%	21,70,000	14.68%
	97,77,500	66.14%	97,65,000	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 Hundred) 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, 2021	March 31, 2020
i) Retained Earnings	3,705.75	2,976.02
ii) Securities Premium Account	1,492.29	1,492.29
iii) General Reserve	567.37	567.37
	5,765.41	5,035.67

Notes to financial statements as at and for the year ended March 31, 2021

9 Financial Liabilities (at amortized cost)

9.1 Long term borrowings

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
(i) Loan from Non Banking Financial Institutions				
Vehicle Loan	-	1.11	1.09	9.44
Working Capital Loan	-	-	-	-
Less: Shown under other financial liabilities (Refer Note 8.4)	-	-	(1.09)	(9.44)
	-	1.11	-	-
The break-up of above:				
Secured	-	1.11	1.09	9.44
Unsecured	-	-	-	-

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 59 equated monthly instalments of Rs 55,330/- each (including interest), commencing from Jun 16 onwards.

In respect of Overdraft and Working Capital demand loan

- First Pari Passu charge on Current Assets
- 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.
- Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi

Maturity Profile of Borrowings	As at	
	March 31, 2021	March 31, 2020
Instalment payable within one year	1.09	9.44
Instalment payable between 2 to 5 years	-	1.11
Instalment payable beyond 5 years	-	-
Total	1.09	10.55

9.2 Lease Liability-ROU Assets

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
i) Lease Liability	-	(0.00)	-	67.80
	-	-	-	-
Total	-	(0.00)	-	67.80

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, 2021	March 31, 2020
Balance at the beginning	67.80	84.24
Interest on lease liabilities	1.82	8.48
Lease Payments	6.99	24.92
Deletion during the year	(62.62)	-
Closing	0.00	67.80

Notes to financial statements as at and for the year ended March 31, 2021

(b) Maturity Profile of Lease Liabilities

The table below provides details regarding Contractual Maturities of Lease Liability on an undiscounted basis.

Ageing	March 31, 2021	March 31, 2020
Within One year	-	27.96
Two to Five years	-	51.26
More than Five years	-	-
Total	-	79.22

- (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, 2021	March 31, 2020
(Secured)		
Cash Credit Facility	352.60	874.10
Total	352.60	874.10

Security for loans and Terms of payment

In respect of Cash Credit from Yes Bank

- Pari Passu charge on hypothecation charge on Current Assets and all movable fixed assets.
- Equitable mortgage of commercial properties located at Shah & Nahar Industrial Estate, Lower Parel (Mumbai) and Marathon Nextgen Realty Limited, Lower Parel (Mumbai).
- Unconditional and Irrevocable Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi.
- 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

- First Pari Passu charge on present and future book debts of the company
- Pari Passu charge on property located at - Flat No 11 & 11A, Building O, 4th Floor, Konark Campus Co-operative Housing Society, Lohegaon Village, Taluka Haveli, Pune.
- Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi
- Pledged fixed deposits amounting to INR 30,00,000/-.

9.4 Trade Payables (at amortised cost)

	As at	
	March 31, 2021	March 31, 2020
i) Trade payables - Micro, small and medium enterprises	28.68	-
ii) Trade payables - Others	406.66	462.31
Total	435.35	462.31

a) Amounts due to Micro, Small and Medium Enterprises

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.

Notes to financial statements as at and for the year ended March 31, 2021

9.5 Other Financial Liabilities (At Amortised Cost)

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
i) Current Maturities of Long term Borrowings	-	-	1.09	9.44
iii) Advance from Customers	-	-	-	-
iv) Employee Liabilities	-	-	1,585.29	1,269.40
v) Employee Benefit Liability-Contract Staff	129.81	102.51	103.98	88.44
vi) Others	-	-	5.66	2.03
	129.81	102.51	1,696.01	1,369.31

10 Deferred Tax Liability

	As at	
	March 31, 2021	March 31, 2020
a) Deferred Tax Liability on account of :		
i) Depreciation due to timing difference	43.91	51.12
b) Deferred Tax Asset on account of :		
i) Employee Benefits	11.02	18.66
ii) Right of Use Asset	-	2.08
	32.89	30.38

11 Other Liabilities

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
i) Duties and Taxes payable	-	-	732.17	712.77
Total	-	-	732.17	712.77

12 Provisions

	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non- Current		Current	
i) Provision for Employee Benefits				
Provision for Gratuity	-	2.47	-	10.82
	-	2.47	-	10.82

- a) Disclosure in accordance 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.

Notes to financial statements as at and for the year ended March 31, 2021

- 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, 2021	As on March 31, 2020
(a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	83.19	69.28
Current Service Cost	10.81	10.25
Interest Cost	5.43	5.13
Actuarial (Gain) /Loss-Other Comprehensive Income	(4.02)	(0.14)
Benefits paid	(3.32)	(1.32)
Defined Benefit obligation at the year end	92.09	83.19
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	69.90	69.28
Adjustment to the Opening fund	1.43	-
Expected return on Plan Assets	8.08	(2.33)
Interest Income	4.88	4.28
Employer Contribution	13.29	-
Benefits Paid	(3.32)	(1.32)
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	94.26	69.90
(c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	94.26	69.90
Present value of Defined Benefit obligation	92.09	83.19
Liability recognized in Balance Sheet	(2.17)	13.29
(d) Expenses recognized during the year (Under the head “ Employees Benefit Expenses)		
Current Service Cost	10.81	10.25
Interest Cost	5.43	5.13
Expected Rate of return on Plan Assets	8.08	(2.33)
Net Cost	24.32	13.04
(e) Actuarial (Gain)/Loss- Other Comprehensive Income	(12.10)	2.19
(f) Net liabilities(Asset) recognised in the balance sheet		
Long-term provisions	-	10.82
Short-term provisions/(Loans and Advances)	(2.17)	2.47
	(2.17)	13.29

Notes to financial statements as at and for the year ended March 31, 2021

ii) Actuarial Assumptions

Particulars	As on March 31, 2021	As on March 31, 2020
Discount rate (per annum)	6.50%	6.90%
Rate of escalation in salary (per annum)	7.00%	7.00%
Attrition Rate		
Younger Age	50%	50%
Older Age	5%	5%
Rate of return on plan assets (per annum)	6.50%	6.90%

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 unfunded 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, 2021	0.50%	0.50%	10.00%
March 31, 2020	0.50%	0.50%	10.00%
Increase in assumption			
March 31, 2021	(89.03)	94.90	92.05
March 31, 2020	(80.47)	85.64	83.20
Decrease in assumption			
March 31, 2021	95.36	(89.43)	(92.12)
March 31, 2020	86.09	(80.83)	(83.16)

(iv) Actuarial Risk:

A Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following 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.

Notes to financial statements as at and for the year ended March 31, 2021

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 same will have to be recognized immediately in the year when any such amendment is effective.

13 Current Tax Liabilities (Net)

	As at	
	March 31, 2021	March 31, 2020
a) Provision for Tax (Net of Taxes Paid)	-	-
	-	-

14 Revenue from Operations

	Year Ended March 2021	Year Ended March 2020
i) Revenue from Manpower Services		
Supply of Manpower and Consultancy Fees	18,799.28	19,023.32
ii) Other Operating Revenue	166.29	98.08
	18,965.57	19,121.40

I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Service Type and Customer type:

(i) Revenue disaggregation by type of Service is as follows:

Major Service Type	2020-21	2019-20
Manpower Supply and Consultancy Fees	18,799.28	19,023.32
Reimbursement Income for Services Provided	166.29	98.08
	18,965.57	19,121.40

(ii) Revenue disaggregation by Customer Type is as follows:

Customer Type	2020-21	2019-20
Government Companies	7,965.54	5,468.87
Non Government Companies	11,000.03	13,652.52
	18,965.57	19,121.40

Notes to financial statements as at and for the year ended March 31, 2021

(iii) Movement in Contract Balances

Particulars	Opening	Billed for the Financial Year	Addition during the year	Closing
Advance from Customers				
March 2021	-	-	-	-
March 2020	-	-	-	-

Particulars	Opening	Billed/ Reversed for the Financial Year	Addition during the year	Closing
Unbilled Revenue				
March 2021	334.92	334.92	664.00	664.00
March 2020	369.00	369.00	334.92	334.92

(iv) 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 2021	Year Ended March 2020
i) Interest Income on Fixed Deposits	41.56	50.21
ii) Interest Income on Loans and Advances	2.36	2.25
iii) Profit on Sale of Property, Plant and Equipment	-	1.84
iv) Interest Income on Financial Assets at amortised cost	10.85	0.97
v) Interest Income on Income Tax Refund	170.04	4.52
vi) Sundry Balance written Back	4.16	0.32
vii) Foreign Exchange Gain	(0.72)	1.87
	228.26	61.98

16 Employee Benefit Expenses

	Year Ended March 2021	Year Ended March 2020
i) Salaries & Wages, Bonus, Perquisites, etc	14,107.18	13,086.15
ii) Contribution to Provident, Gratuity funds	919.34	838.82
iii) Managerial Remuneration	336.00	336.00
iv) Staff Insurance	121.33	97.60
v) Staff Welfare	8.98	24.06
	15,492.83	14,382.63

Notes to financial statements as at and for the year ended March 31, 2021

17 Finance Cost

	Year Ended March 2021	Year Ended March 2020
i) Interest Expense on Lease Liability	1.82	8.48
ii) Interest on Borrowings	52.50	150.54
iii) Interest on Income Tax	-	-
iv) Interest on Indirect Taxes	2.31	1.09
	56.63	160.11

18 Depreciation and Amortization

	Year Ended March 2021	Year Ended March 2020
i) Depreciation on Property, Plant & Equipment	91.63	101.03
ii) Depreciation on Right of Use Assets	5.30	21.31
Total	96.93	122.34

19 Other expenses

	Year Ended March 2021	Year Ended March 2020
Assets Scrapped	0.53	4.30
Auditors Remuneration	11.57	11.90
Director's Sitting Fees	3.60	2.70
Travelling Expenses	371.36	419.28
Expected Credit Loss	47.18	47.80
Site related Expenses	132.60	96.06
Consumables purchased	136.76	105.59
Professional Fees - Project	1,136.66	2,460.31
Rates and Taxes	0.78	5.16
Power and Fuel	19.57	33.34
Rent	87.74	132.66
Membership & Subscription	12.09	18.85
Health and Safety Expenses	59.84	91.27
Housekeeping Expenses	9.27	5.23
Insurance Charges	10.23	6.77
Advertisement Expenses	14.59	25.50
Donation	2.10	2.81
Motor Car Expenses	5.57	3.51
Food and Accommodation Expenses	372.37	425.50
Printing and Stationery Expenses	10.55	14.88
Legal & Professional Charges	78.77	73.41
Business Promotion Expenses	1.32	6.19
Telephone Charges	14.78	25.05

Notes to financial statements as at and for the year ended March 31, 2021

	Year Ended March 2021	Year Ended March 2020
Bank Charges	18.76	24.65
Corporate Social Responsibility Expenses	32.41	13.45
Water Charges	6.28	7.40
Repairs and Maintenance Expenses	9.36	8.19
Office Maintenance Expenses	13.17	19.77
Other Expenses (None of which individually forms more than 1% of the Operating Revenue)	76.59	70.67
Total	2,696.41	4,162.20

a) Payment to auditors	Year Ended March 2021	Year Ended March 2020
Audit fee	8.00	8.00
Tax Audit	2.00	2.00
Tax Matters	1.57	1.90
Total payments to auditors	11.57	11.90

20 Tax Expense

	Year Ended March 2021	Year Ended March 2020
a) Income tax expense in the statement of profit and loss consists of:		
Current Tax	-	64.20
Short/Excess Provision of Tax	(97.55)	(37.01)
Minimum alternative tax entitlement	80.60	(43.59)
Deferred Tax	2.50	(6.11)
Income tax recognised in statement of profit or loss	(14.45)	(22.52)

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 2021	Year Ended March 2020
A Current Tax		
Accounting Profit Before Income Tax	851.03	356.10
Enacted tax rates in India (%)	25.168%	27.820%
Computed expected tax expenses	214.19	99.07
Effect of non- deductible expenses	108.90	85.55
Effects of deductible Expenses	(323.09)	(164.01)
Income tax expenses - Net	(0.00)	20.60
Tax liability as per Minimum Alternate Tax on book profits		
Minimum Alternate Tax rate	0.00%	16.69%
Computed tax liability on book profits	-	59.44
Tax effect on adjustments:		

Notes to financial statements as at and for the year ended March 31, 2021

Particulars	Year Ended March 2021	Year Ended March 2020
1/5 portion of Opening IND AS Reserve as on April 1, 2018	-	(3.22)
Effect of non deductible expense	-	7.97
Differential MAT Provided in Subsequent year	-	-
Minimum Alternate Tax on Book Profit	-	64.20
Higher of A or B	-	64.20

Note: The Company has opted for income tax under Section 115BAA of the Income tax act, 1961. As per provisions of the Act, the domestic companies opting for section 115BAA will not be able to claim MAT credits for taxes paid under MAT during the tax holiday period. The companies would not be able to reduce their tax liabilities under section 115BAA by claiming MAT credits. Therefore, the Company has reversed all the MAT credit during the year.

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in P&L	Recognised in OCI	Closing
As at April 01, 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
Property, Plant and Equipment	51.12	(7.21)	-	43.91
Employee benefits	(18.66)	7.63	-	(11.02)
Right of Use Asset	(2.08)	2.08	-	-
As at March 31, 2021	30.38	2.50	-	32.89

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 2021	Year Ended March 2020
Net Profit / (Loss) as per Statement of Profit and Loss	865.47	378.62
Outstanding equity shares at period end - Nos	1,47,84,000	1,47,84,000
Weighted average Number of Shares outstanding during the period – Basic	1,47,84,000	1,47,84,000
Weighted average Number of Shares outstanding during the period - Diluted	1,47,84,000	1,47,84,000
Earnings per Share - Basic (Rs.)	5.85	2.56
Earnings per Share - Diluted (Rs.)	5.85	2.56

Notes to financial statements as at and for the year ended March 31, 2021

Reconciliation of weighted number of outstanding during the period:

Particulars	Year Ended March 2021	Year Ended March 2020
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	1,47,84,000	1,47,84,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	1,47,84,000	1,47,84,000
Weighted average number of equity shares at the end of the period	1,47,84,000	1,47,84,000
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	1,47,84,000	1,47,84,000
Weighted average number of equity shares used in calculating diluted EPS	1,47,84,000	1,47,84,000

22 Contingent Liabilities

Particulars	March 31, 2021	March 31, 2020
Bank Guarantees	405.56	318.14
Total	405.56	318.14

23 Commitments

Particulars	March 31, 2021	March 31, 2020
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)	-	-
Total	-	-

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 20% of the total revenue earned during the year ended March 31, 2021 (March 31, 2020: Top 1 customers accounted for 18% 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

Notes to financial statements as at and for the year ended March 31, 2021

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

Energycjobz 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	-	4.83	-	4.83
	-	(4.61)	-	(4.61)
Rent				
Mrs. Niranjana V Sanghavi	-	-	-	-
	-	-	(13.20)	(13.20)
Salaries and wages				
Mrs. Naini N. Kulkarni	-	-	22.75	22.75
	-	-	(22.75)	(22.75)
Mrs. Ami J. Sanghavi	-	-	7.80	7.80
	-	-	(7.80)	(7.80)
Mr. Aditya Sanghavi	-	-	0.30	0.30
	-	-	-	-
Interest income				
Aarvi Encon FZE	2.02	-	-	2.02
	(1.95)	-	-	(1.95)
Interest Paid				
Aarvi Engineering And Consultants Pvt Ltd	-	-	-	-
	(0.14)	-	-	(0.14)
Loan Given				
Aarvi Encon FZE	25.09	-	-	25.09
	(23.79)	-	-	(23.79)
Loan Taken				
Aarvi Engineering And Consultants Pvt Ltd	-	-	-	-
	(35.00)	-	-	(35.00)
Director sitting fees				
Mrs Niranjana V Sanghavi	-	-	-	-
	-	-	(0.20)	(0.20)
Mr. Devendra J Shrimanker, Independent Director	-	1.15	-	1.15
	-	(0.95)	-	(0.95)

Notes to financial statements as at and for the year ended March 31, 2021

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Mrs. Sonal N Doshi, Independent Director	-	1.15	-	1.15
	-	(0.75)	-	(0.75)
Mrs. Padma V Devarajan, Independent Director	-	0.90	-	0.90
	-	(0.80)	-	(0.80)
Mr. Sharad Sanghi, Independent Director	-	0.40	-	0.40
	-	-	-	-
Dividend paid				
Mr. Virendra Sanghavi	-	43.40	-	43.40
	-	(43.40)	-	(43.40)
Mrs. Niranjana V Sanghavi	-	-	32.55	32.55
	-	-	(32.55)	(32.55)
Mr. Jaydev Sanghavi	-	21.72	-	21.72
	-	(21.70)	-	(21.70)
Mrs. Ami Jaydev Sanghavi	-	-	2.71	2.71
	-	-	(2.71)	(2.71)
Mr. Aditya Jaydev Sanghavi	-	-	1.63	1.63
	-	-	(1.63)	(1.63)
Mrs. Naini Ninad Kulkarni	-	-	5.43	5.43
	-	-	(5.43)	(5.43)
Mr. Ninad V. Kulkarni	-	-	1.09	1.09
	-	-	(1.09)	(1.09)
Balances outstanding at the end of the year				
Loans and advances				
Aarvi Encon FZE	25.09	-	-	25.09
	(23.79)	-	-	(23.79)
Rent Deposit				
Mrs. Niranjana V Sanghavi	-	-	0.70	0.70
	-	-	(0.70)	(0.70)
Outstanding				
Mr. Virendra Sanghavi	-	78.99	-	78.99
	-	(58.87)	-	(58.87)
Mr. Jaydev Sanghavi	-	98.74	-	98.74
	-	(85.90)	-	(85.90)
Mrs. Naini N. Kulkarni	-	-	2.67	2.67
	-	-	(1.68)	(1.68)
Mrs. Ami J. Sanghavi	-	-	0.43	0.43
	-	-	(0.58)	(0.58)
Mr. Aditya J. Sanghavi	-	-	0.15	0.15
	-	-	-	-

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.

Notes to financial statements as at and for the year ended March 31, 2021

26 Corporate Social Responsibility

For 2020-21

- a Gross amount required to be spent by the Company during the year : Rs. 22.87 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 preventive 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.	32.41	-	32.41
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	32.41	-	32.41

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 preventive 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

27 Derivative Instruments and Unhedged Foreign Currency Exposure

- (i) There are no derivative instruments outstanding as at March 31, 2021 and March 31, 2020.
- (ii) Unhedged foreign currency exposure towards receivables outstanding as at March 31, 2021 and March 31, 2020 is as under:

Particulars	As at			
	March 31,2021		March 31,2020	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables				
a) USD	-	-	-	-

Notes to financial statements as at and for the year ended March 31, 2021

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. Uncertainty 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 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows:

	Carrying Value		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
a) Financial Assets				
Amortised Cost				
Trade Receivable	4,871.81	4,833.82	4,871.81	4,833.82
Loans and Advances	82.95	86.30	82.95	86.30
Cash and cash equivalents	893.81	7.94	893.81	7.94
Other Bank balances	716.08	155.90	716.08	155.90
Other	2,082.35	1,355.42	2,082.35	1,355.42
Total Financial Assets	8,647.00	6,439.38	8,647.00	6,439.38
b) Financial Liabilities				
Amortised Cost				
Borrowings	353.70	884.65	353.70	884.65
Lease Liability	-	67.80	-	67.80
Trade payables	435.35	462.31	435.35	462.31
Others	1,824.73	1,462.39	1,824.73	1,462.39
Total Financial Liabilities	2,613.78	2,877.14	2,613.78	2,877.14

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.

Notes to financial statements as at and for the year ended March 31, 2021

30 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.

31 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.

Notes to financial statements as at and for the year ended March 31, 2021

The Working Capital Position of the Company is given below:

	March 31, 2021	March 31, 2020
Current Assets		
Trade receivable	4,871.81	4,833.82
Cash and Cash Equivalent	893.81	7.94
Bank Balance	716.08	155.90
Loans and Advances	19.39	29.80
Other Financial Asset	781.60	460.38
Other Current Assets	154.99	106.30
Total	7,437.69	5,594.13
Less:		
Current Liabilities		
Borrowings	353.70	883.54
Lease Liability	-	67.80
Trade Payables	435.35	462.31
Others	2,427.09	2,072.64
Total	3,216.13	3,486.29
Net Working Capital	4,221.55	2,107.84

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, 2021			
Borrowings	352.60	-	352.60
Trade Payables	435.35	-	435.35
Other Financial Liabilities	1,696.01	129.81	1,825.83
Total	2,483.97	129.81	2,613.78
As at March 31, 2020			
Borrowings	883.54	1.11	884.65
Trade Payables	462.31	-	462.31
Other Financial Liabilities	1,359.87	102.51	1,462.39
Total	2,705.73	103.62	2,809.34

32 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.

Notes to financial statements as at and for the year ended March 31, 2021

Particulars	March 31, 2021	March 31, 2020
Gross Debt	352.60	884.65
Less:		
Cash and Cash Equivalent	893.81	7.94
Other Bank Balances	716.08	155.90
Net debt (A)	(1,257.29)	720.81
Total Equity (B)	7,243.81	6,514.07
Gearing ratio (A/B)	(0.17)	0.11

33 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 strategic initiatives. The Shareholder have duly approved the same by way of postal ballot on November 30, 2019.

34 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, 2021.

35 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. As Aarvi provides services to essential services like Oil & Gas, CGD, Power etc, the work continued at reduced pace. The New deputation had reduced during lockdown period. Aarvi has started giving paramedic people to few of our clients at project site.
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 its 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. The expected growth might take a hit. Currently we are focus on essential services which will help in the business growth

Notes to financial statements as at and for the year ended March 31, 2021

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. As the international borders sealed, the international business has been hit due to non availability of Visa and local mobilisation.	
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	Financial servicing would be comfortable as the company has prepared financial Budgets considering worse scenario. Also Company has received large IT refunds for the FY 18 - 19 and also FY 19 - 20.	
v. Assets	All assets are safe and well protected	
vi. Internal financial reporting and control	The Company has an adequate internal financial control systems over financial reporting commensurate to its size and nature of business.	
vii. Supply Chain	The supply chain was disrupted in view of lockdown in March 2020.	
viii. Demand for its products/services	During the start of the year i.e. Q1 of the year 20 - 21, The demand had reduced drastically. No major mobilisation has happened in quarter April to June 2020. However company signed couple of major projects and is seeing better outcome.	
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

36 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

Balance Sheet :

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss :

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

Notes to financial statements as at and for the year ended March 31, 2021

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

As per our report of even date
For Arvind H. Shah & Co.
Firm Registration No. 100577W
Chartered Accountants

For and on behalf of the Board of Directors

Arvind H. Shah
Proprietor
M.No. 031224

Place : Mumbai
Date : 3rd June, 2021

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

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