



Aarvi Encon Limited

CIN : L29290MH1987PLC045499
(ISO 9001 & 14001 & ISO 45001)

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



AEL/NSE/2023-24/13

Date: August 30, 2023

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

Kind Attention: Head – Listing
Symbol: AARVI

Sub: Notice of the 35th Annual General Meeting of the Members of the Company and the Annual Report for the FY 2022 – 23

Dear Sir/Madam,

This is to inform that 35th Annual General Meeting (AGM) of the Company will be held on **Saturday, September 23, 2023** 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 2022 – 23, comprising the Notice of the AGM and the standalone and consolidated financial statements for the financial year 2022 – 23, 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 35th AGM and Annual Report for the FY 2022 – 2023 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

Jaydev V. Sanghavi
Executive Director & CFO
DIN: 00759042



NOTICE OF 35TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

Notice is hereby given that 35th Annual General Meeting (Sixth AGM post IPO of the Company) of the members of the Aarvi Encon Limited ("the Company") will be held on Saturday, September 23, 2023, via video conference ("VC") / other Audio-Visual means ("OAVM") at 11:00 A.M. (IST), 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, 2023 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, 2023 and the report of Auditors thereon.
2. To declare a final dividend of Rs. 2/- per equity share for the Financial Year ended March 31, 2023.
3. To appoint a Director in place of Mr. Virendra D. Sanghavi (DIN: 00759176), Executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors
AARVI ENCON LIMITED

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Date: August 14, 2023
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. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.aarviencon.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited www.nseindia.com and the AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
7. All documents referred to in the accompanying Notice and the Statements, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act are available electronically for inspection by the members. Any member seeking inspection of such documents may write an email to cs@aarviencon.com.
8. Members who hold shares physically or 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 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.
9. Corporate Members are required to send to the Company a certified true copy of Board resolution pursuant to section 113 of the Companies Act 2013 together with the specimen signature authorizing their representative to attend the meeting through VC / OAVM and vote on their behalf at the meeting or through remote e-voting.
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member at the earliest. Members are also advised not to leave their demat account(s) dormant for long. Periodic Statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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 September 15, 2023.

16. The dividend on equity shares as recommended by the Board of Directors, if declared, at the meeting shall be paid to the members whose names are registered in the Register of Members / Beneficial owners as on September 15, 2023. 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. September 23, 2023. 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 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 claimed within thirty days from declaration shall be transferred to "Unpaid Dividend Account" of the Company in seven days from expiry of said thirty days in accordance with section 124 of the Act. Further, dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (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. 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: charmi@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, 2022 (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 | 5,699/- | September 22, 2027 |
| 2020-21 | 89,449/- | July 29, 2028 |
| 2021-22 (Interim Dividend) | 39,070/- | November 12, 2028 |
| 2021-22 (Final Dividend) | 82,101/- | August 02, 2029 |
23. 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:**
24. 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.

25. 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.
26. 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.
27. 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.
28. 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 Wednesday, September 20, 2023 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 Monday, September 18, 2023 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.

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

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

29. In accordance with the provisions of Section 108 and other applicable provisions of the Companies Act 2013, if any, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI Listing Regulations, the Company is offering e-voting facility to all the members of the Company and business may be transacted through such remote e-voting. Members can cast their votes online from 10:00 A.M (IST) on September 20, 2023 to 05:00 P.M (IST) on September 22, 2023.
30. 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.
31. 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 September 15, 2023 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.
32. 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. Any person who is not a member as on the cut-off date shall treat this notice for information purpose only.
33. 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.
34. 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.
35. 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.

36. 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).
37. 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.
38. Procedure and instructions of remote e-voting are detailed below:

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

The remote e-voting period begins on September 20, 2023 at 10:00 A.M. and ends on September 22, 2023 at 5:00 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. September 15, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 15, 2023.

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

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





Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 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

	<ol style="list-style-type: none"> 3. 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. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div data-bbox="638 745 1093 1025"> <p>NSDL Mobile App is available on</p> <div>  App Store  Google Play </div> <div>   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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

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

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

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

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - 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 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 mail@aashishbhatt.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login

to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com 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: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Veena Suvama 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 demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self -attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (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.**
2. 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.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

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” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join 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.

39. 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.

40. 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. September 15, 2023 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.

The Scrutinizer will after the conclusion of the e-voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-voting and prepare a consolidated report. The resolutions shall be deemed to be passed on the date of meeting i.e. September 23, 2023, subject to the receipt of the requisite number of votes.

41. 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.aarviencon.com/announcements>.

42. Clarification in resolution – “Approval Of Aarvi Employee Stock Option Plan 2022” passed by the members of the Company in the AGM held in the Previous year on July 29, 2022:

In the Special Resolution passed by the Company on July 29, 2022 for (Item No. 9) the approval of Aarvi Employee Stock Option Plan 2022 , it was stated that “Options, not exceeding 5% of the paid-up Equity Share Capital of the Company as on the date of passing the Resolution...”. However, in the explanatory statement, Item No. 9 & 10 - point no. (b), it was stated that “Options exercisable into such number of equity shares being not more than 5% of the paid-up share capital of the Company at any point of time would be available for being granted.”

It is hereby clarified that “Options, not exceeding 5% of the paid-up Equity Share Capital of the Company as on the date of passing the Resolution” mentioned in the special resolution was the correct statement and there was a typographical error in the explanatory statement. Members of the Company are requested to take the note of the same.

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

**Sd/-
Leela Bisht
Company Secretary and Compliance Officer**

ANNEXURE A

Details of Director seeking appointment / re-appointment/ fixation of remuneration at the 35th 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
DIN	00759176
Age	80 years
Date of Birth	29/09/1942
Nationality	Indian
Qualifications	Chemical Engineering Graduate from UDCT (Now Institute of Chemical Technology)
Experience including expertise in specific functional areas / Brief Resume	<p>He is a Chemical Engineering Graduate from UDCT & have more than 48 years experience and excellent track record in design, development, construction and operation of process plants in India and Internationally.</p> <p>Previously working with various Engineering, Lubricant, Petrochemical, and Pharmaceutical companies such as Merck Sharp & Dohme India Ltd.</p> <p>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.</p>
Terms and conditions of appointment or re- appointment along with details of remuneration sought to be paid	As per the Board Resolution dated May 26, 2022 and Members Resolution dated July 29, 2022.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)
Date of first appointment on the Board	December 03, 1987
Shareholding in the company	75,95,000 shares (51.37 %)
relationship with other Directors, Manager and other Key Managerial Personnel of the company	<p>He is the father of Mr. Jaydev V. Sanghavi, Executive Director of the Company.</p> <p>Except Mr. Jaydev V. Sanghavi, he is not related to any other director and/or KMP of the company.</p>
Number of Meetings of the Board attended during the year	There were total 6 (Six) board meetings held during the year. He has attended 5 board meetings during the FY 2022-23.
Justification for re- appointment as Independent Directors	-
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)	<p>He is a Director in the following Companies:</p> <ol style="list-style-type: none"> 1. Aarvi Engineering & Consultants Pvt. Ltd.

For and on behalf of
Aarvi Encon Limited

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



Aarvi Encon Limited

Engineering • Manpower • Outsourcing

Talent on Demand

ANNUAL REPORT 2022-23



Awards/Accolades



Aarvi Encon Limited has received the Award by Economic Times under the Category of "LEADER OF CHANGE" 2021 on Thursday, December 16, 2021.





About Aarvi Encon Limited

Established in 1987, Aarvi Encon Limited originated in Mumbai and has since expanded its footprint to encompass key locations across India. Our journey has been defined by the creation of value for clients both within India and abroad through the provision of world-class Engineering and Manpower Outsourcing Services. Our dynamic approach to problem-solving enables us to deliver quality services on time coupled with consistent performance to our clients in India & overseas. Aarvi has built long-standing relationships with its clients, working with many of them for several decades. Your company is one of the largest in secondment of Technical Manpower in India and has served multiple industries like oil & gas, power, LPG, LNG, PNG, refinery, petrochemical, pipeline, wind power, solar power, offshore, E&P, infrastructure, ports & terminals, telecom, fertilizers, cement, automation, automobile, aviation, metro & monorail, railway, metals and minerals. Our Vision is to become Global Leader in providing solutions for technical manpower and our Mission is to provide Reliable and Skilled Professionals for specialized duties on contract basis. In the fiscal year 2023, the company sustains a worldwide footprint, operating from diverse hubs across India including Chennai, Visakhapatnam, Kolkata, Bhatinda, New Delhi, Barmer, NCR, Jamnagar, Baroda, Mumbai, and Pune. Additionally, the company extends its presence internationally to key destinations such as Kuwait, Oman, Sharjah, UAE, Qatar, Indonesia, Saudi Arabia, and the UK. During this period, the company's workforce encompasses a total of 5,427 employees on its payroll.

The company boasts an esteemed list of clients, featuring renowned names such as - Larsen & Turbo Industries, Reliance Industries Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited, Cairn, Engineering India Limited, Siemens, Vikram Solar, Indian Oil, Technip, GNFC, GSFC, Mahanagar Gas, Gujarat Gas, Deepak Nitrite, Technimont, HMEL, HURL, Tata Power, Petrofac, Jindal Steel & Power, etc. among others.

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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
- **Mr. Ramachandran Ramamoorthy***
Independent Director
(*Appointed w.e.f. January 23, 2023)
- **M/s. Jay Shah & Associates**
Statutory Auditor
- **M/s. Bhatt & Associates Company Secretaries LLP**
Secretarial Auditor
- **Bigshare Services Private Limited**
Registrar and Transfer Agent (RTA)
- **Company Secretary and Compliance Officer**
Leela Bisht

BANKERS:-

Yes Bank
Bank of Baroda
HDFC Bank
HSBC Bank
SBI

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
Mr. Ramachandran Ramamoorthy - Member*
(*Appointed w.e.f. May 03, 2023)

NOMINATION AND REMUNERATION COMMITTEE

Mr. Devendra J. Shrimanker - Chairperson
Dr. (Mrs.) Padma V. Devarajan - Member
Mrs. Sonal N. Doshi – Member
Mr. Sharad S. Sanghi - Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mrs. Sonal N. Doshi – Chairperson
Mr. Devendra J. Shrimanker – Member
Mr. Jaydev V. Sanghavi – Member

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Mr. Virendra D. Sanghavi – Chairperson
Mrs. Sonal N. Doshi - Member
Mrs. Padma Devarajan - Member
Mr. Sharad S. Sanghi - Member
Mr. Ramachandran Ramamoorthy - Member*
(*Appointed w.e.f. May 03, 2023)

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 D. Sanghavi
Managing Director



Jaydev V. Sanghavi
Executive Director and CFO



Devendra J. Shrimanker
Independent Director



Sharad S. Sanghi
Independent Director



Padma V. Devarajan
Independent Director



Sonal N. Doshi
Independent Director



Ramachandran Ramamoorthy
Independent Director

Managing Director's Message



Virendra D. Sanghavi

Managing Director

Dear and Esteemed Fellow Stakeholders,

It captures the essence of a year that reflects the milestones and values that define Aarvi. I feel proud that our dedicated team has consistently delivered outstanding results to enhance shareholders' value. Let me reiterate that we remain committed to maintaining the highest standards of corporate governance, transparency, and accountability, ensuring that the interests of our stakeholders are safeguarded at every step.

In the eventful year of 2022-23, AARVI experienced remarkable progress across various industries and key geographical regions, reflecting a significant overall growth. Our strong commitment to excellence and efficient execution strategies have led to outstanding results, evident in our impressive top-line performance. I am delighted to announce that the Company has achieved stellar accomplishments on all operational fronts during this period. We recorded substantial growth in revenues, profits, margins, cash generation, and returns on capital, showcasing the effectiveness of our business operations. On a Consolidated basis, our operating revenue reached an impressive Rs. 436.52 Crores, while on a Standalone basis, it amounted to Rs. 382.70 Crores, reinforcing our position as a thriving and successful organization in the industry.

Delivering healthy financial performance

Year-on-year basis (YoY), our consolidated turnover has increased by 51% from Rs. 288.54 Crore in FY'22 to Rs. 436.52 Crore in FY'23. Our EBITDA stood at Rs. 18.66 Crore in FY'23 as compared to Rs. 13.90 Crore in FY'22, registering a growth of 34% over the previous year. Our PAT Increased from Rs. 12.06 Crores in FY'22 to Rs. 14.51 Crore in FY'23, witnessing the growth of 20% YoY.

The journey of over three decades of employing India has been deeply fulfilling. We are geared to catalyse the country's growth trajectory, as the engineer custodians, and the architects of a brighter tomorrow.

The Company has proposed a final dividend of 20% i.e. Rs. 2.00/- per equity share of Rs. 10/- each, subject to the approval of the members of the Company at the ensuing 35th Annual General Meeting.

Doing well by doing good

Your Company firmly believes that the commitment towards playing a defining role in the development of its stakeholders extends to uplifting lives of the marginalized segments of the society, living in and around its areas of operation. Your Company has invested substantially in CSR initiatives and has made transformational impact for thousands of underprivileged people. The principles of Corporate Social Responsibility (CSR) are deeply imbibed in your Company's corporate culture. To amplify outreach efforts, your Company incurred more than the statutory mandated CSR budget during the year.

At the end, I would like to conclude with a privileged thank you for your unstinted support which has been your Company's greatest strength and an eternal source of inspiration to take Aarvi towards a more prosperous future. We are committed to employing a nation and a world where happiness and peace thrive.

With best wishes,

Sincerely

Your Sincerely,

Sd/-

Virendra D. Sanghavi
Managing Director

Executive Director's Message



Jaydev Sanghavi
Executive Director & Chief Financial Officer

Dear and Esteemed Fellow Stakeholders,

It gives me an immense pleasure to write to you after a record year of growth across our businesses, which speaks volumes about our solid financial health and operational excellence.

Our Revenue Streams

Your company is one of the largest in secondment of Technical Manpower in India and has served multiple industries like oil & gas, power, LPG, LNG, PNG, refinery, petrochemical, pipeline, wind power, solar power, offshore, E&P, infrastructure, ports & terminals, telecom, fertilizers, cement, automation, automobile, aviation, metro & monorail, railway, metals and minerals. Your Company has curated a robust portfolio of business that India will increasingly need tomorrow. We hold the belief that each of the verticals possesses substantial potential for growth. In addition to our project-centric approach, your Company is actively diversifying and expanding its presence in the Operations and Maintenance (O&M) sector. This strategic move not only enhances our portfolio but also significantly augments our revenue visibility on a larger scale.

Setting New Benchmarks in Performance

During the year, your Company was able to achieve another record performance operationally as well as financially with strong contribution from all our businesses. Aarvi posted a record high Revenue from operations of Rs. 436.52 Crores, which was 51% up from the previous year, EBITDA of Rs. 18.66 crore, which was 34% up from the previous year. The consolidated net profit for the year stood at Rs. 14.51 Crores, once again a new record, that underscores the inherent resilience that empowers us to rise above global challenges and make a mark. In addition, we proactively on boarded 50 new clients to your esteemed organization.

Expanding across borders

Our international expansion has been a significant factor in our growth. We have established new offices in various crucial markets, and continuing to expand our presence in these markets. We believe that there is significant opportunity for growth in these markets, and we are committed to expanding our reach. The company is looking forward to expanding its geographical presence worldwide and securing opportunities in the global market. Through strategic initiatives and diligent efforts, the company has established a global presence by expanding its business operations into diverse countries like UAE, UK, Oman, Indonesia and Qatar. Currently, your company is making strategic investments in these countries, with the anticipation of realizing returns within the next couple of years.

In the FY'22-23, our wholly-owned subsidiary, Aarvi Encon FZE (UAE), played a significant role in contributing to our overall financial success. It achieved a remarkable revenue of 53.03 Crores, which accounted for 12% of the total Consolidated Revenue of the Company during the same period. Our global operations are bolstered by the subsidiary's exceptional performance, which underscores its vital role and confirms our commitment to expanding our presence in crucial international markets. During the year, your company acquired 100% stake in MNR Technical Services LLC, UAE through our wholly owned subsidiary Aarvi Encon FZE, UAE which will

increase the business of deputation of technical and non-technical manpower in UAE.

Employee centric workplace

As a manpower outsourcing company, we are dedicated to cultivating an employee-centric workplace that revolves around the needs and aspirations of our workforce. Our approach involves nurturing a supportive environment where our employees feel valued, engaged, and empowered. By prioritizing their growth through training, recognizing their contributions, providing professional development opportunities, and promoting work-life balance, we not only enhance their job satisfaction but also elevate the quality of service we provide to our clients, ultimately driving the success of both our employees and our company.

Green Revolution begins

Getting bigger and stronger only means Aarvi is ready to take up even greater responsibilities to serve not just the surrounding communities or India, but also the whole planet. FY 2022-23 marked the beginning of Aarvi's Green Transformation, whereby we took on the role of pioneers in the renewable energy industry, specifically in the solar and wind energy sectors, by introducing groundbreaking manpower outsourcing solutions. Through our innovative approach, we

were able to create a new niche in this growing field. Our dedication and pioneering efforts resulted in remarkable success, which contributed significantly to the company's revenue stream. In fact, our manpower outsourcing services in the renewable sector accounted for an impressive 8% of the total revenue, underscoring the positive impact of our initiatives on the company's overall performance and our pivotal role in supporting the growth of renewable energies.

Concluding Note

Your Company, over its journey of more than three decades, has strived to maintain strong relationships with Customers, Deputies, Associates, Vendors, Partners, Communities and Regulators along with proactive engagement with other Stakeholders, Central and State Governments. I have the privilege to thank you all for your continued belief and patronage of Aarvi's endeavors.

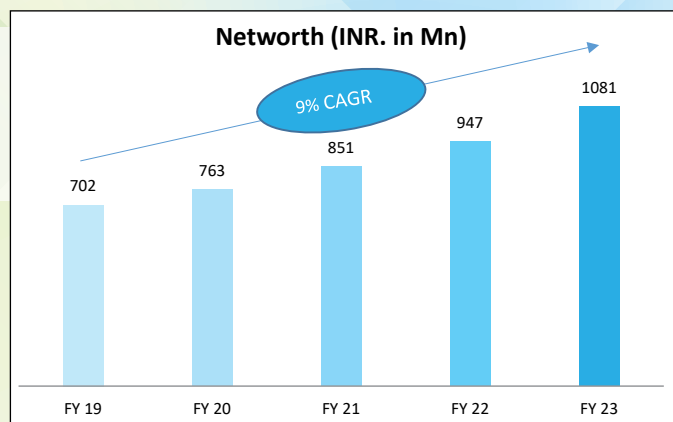
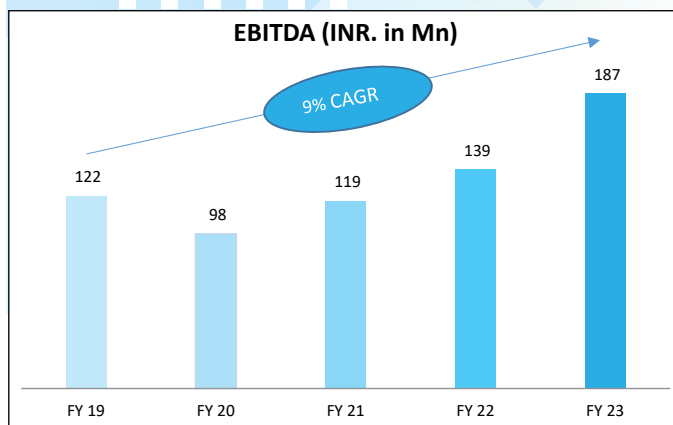
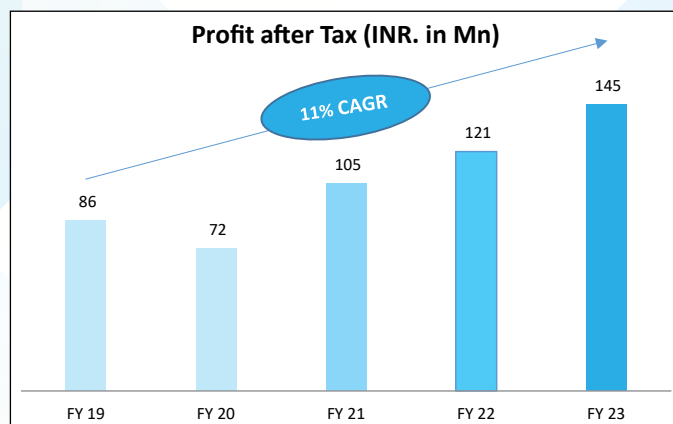
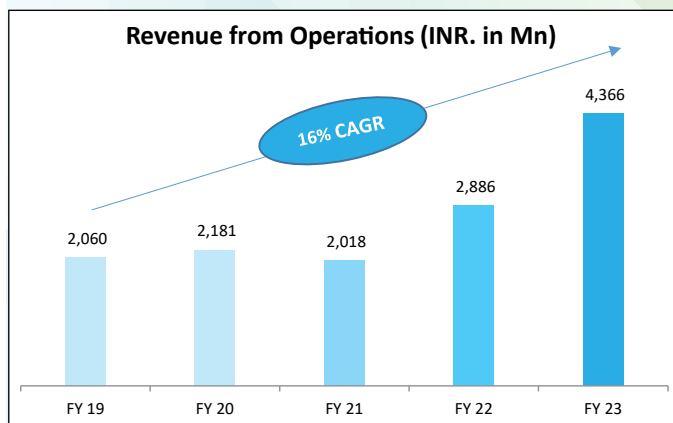
With warm regards,

Sd/-

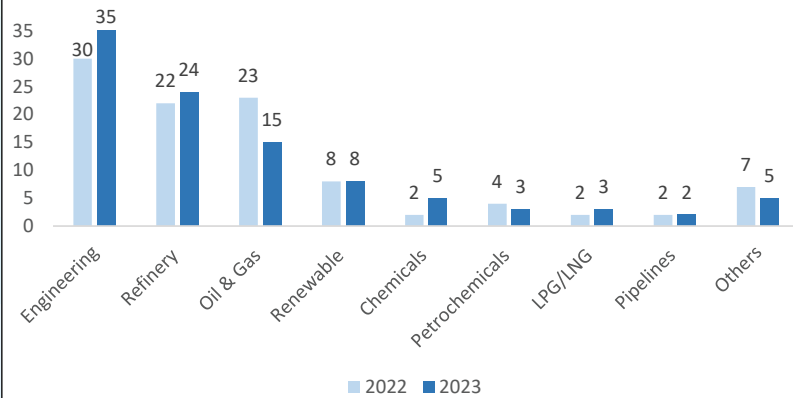
Jaydev Sanghavi

Executive Director & Chief Financial Officer

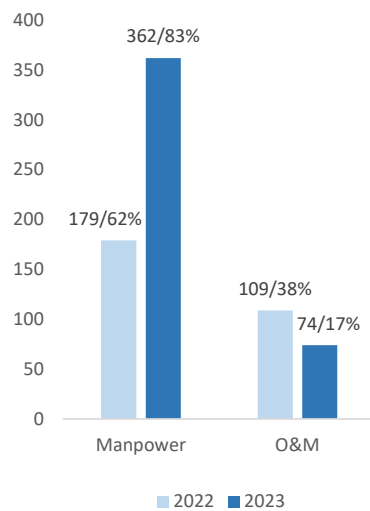
Aarvi Track Record of delivering Consistent Growth with Accelerated Profitability



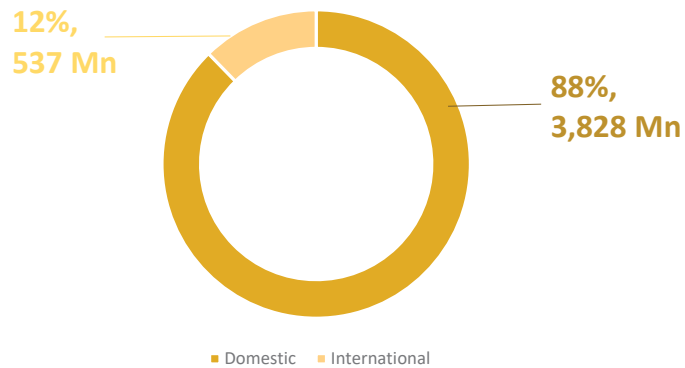
Revenue distribution by business segments (in %)



Revenue distribution by offerings (Rs in Cr.)



GEOGRAPHY-WISE REVENUES FY 2022-23 (INR in Mn)



How we performed through FY 2022-23 (quarter-on-quarter journey)

First quarter

- Revenue were Rs. 106.97 Crore as against of Rs. 58.65 Crore in Q1FY22, a growth of 82% Y-o-Y basis and 17% Q-o-Q basis.
- EBITDA were Rs. 4.92 Crore as against of Rs. 2.59 Crore in Q1FY22, a growth of 90% Y-o-Y basis and 52% Q-o-Q basis.
- PAT were Rs. 4.32 Crore as against of Rs. 2.21 Crore in Q1FY22, a growth of 95% Y-o-Y basis and 62% Q-o-Q basis.
- On boarded 5 new clients in the quarter.
- Head count increased from 5,628 to 6,088
- Aarvi Encon FZE, UAE Wholly Owned Subsidiary of Aarvi Encon Limited had been awarded a work Contract of approx. INR 57 Cr for Manpower Outsourcing Services for the project duration valid up to July 2023

Second quarter

- Reported the highest half yearly revenue of Rs. 219.99 Crore as against of Rs. 124.42 Crore in H1FY22, a growth of 77% Y-o-Y basis.
- Reported the highest half yearly EBITDA of Rs. 9.83 Crore as against of Rs. 6.36 Crore in H1FY22, a growth of 55% Y-o-Y basis.
- Reported the highest half yearly Net Profit of Rs. 8.41 Crore as against of Rs. 5.59 Crore in H1FY22, a growth of 50% Y-o-Y basis.
- Company on boarded 9 New Clients during the Quarter.
- Company had been assigned CRISIL SME 1 rating by CRISIL Rating Limited

Third quarter

- Reported the highest quarterly revenue of Rs. 111.28 Crore as against of Rs. 74.04 Crore in Q3FY22, a growth of 50% Y-o-Y basis.
- EBITDA Margins were impacted due to the completion of certain high margin contracts in the previous quarter.
- The company also expanded its scope of service of Social Media Marketing and SEO Activities.

Fourth quarter

- Reported the highest yearly revenue of 437.84 as against of Rs. 289.73 Crore in FY22 a growth of 51% Y-o-Y basis.
- Reported the highest yearly EBITDA of Rs. 18.66 Crore as against of Rs. 13.91 Crore in FY22, a growth of 34% Y-o-Y basis and 25% Q-o-Q basis.
- Reported the highest yearly PAT of Rs. 14.51 Crore as against of Rs. 12.07 Crore in FY22, a growth of 20% Y-o-Y basis and 30% Q-o-Q basis.
- Onboarded 50+ new clients during the year
- Received major orders from the companies like Numaligarh Refineries Ltd, Technip Energies, Hindustan Urvarak & Rasayan Ltd, BPCL, etc

Creating Value for Clients
since 1987

35

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 35 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

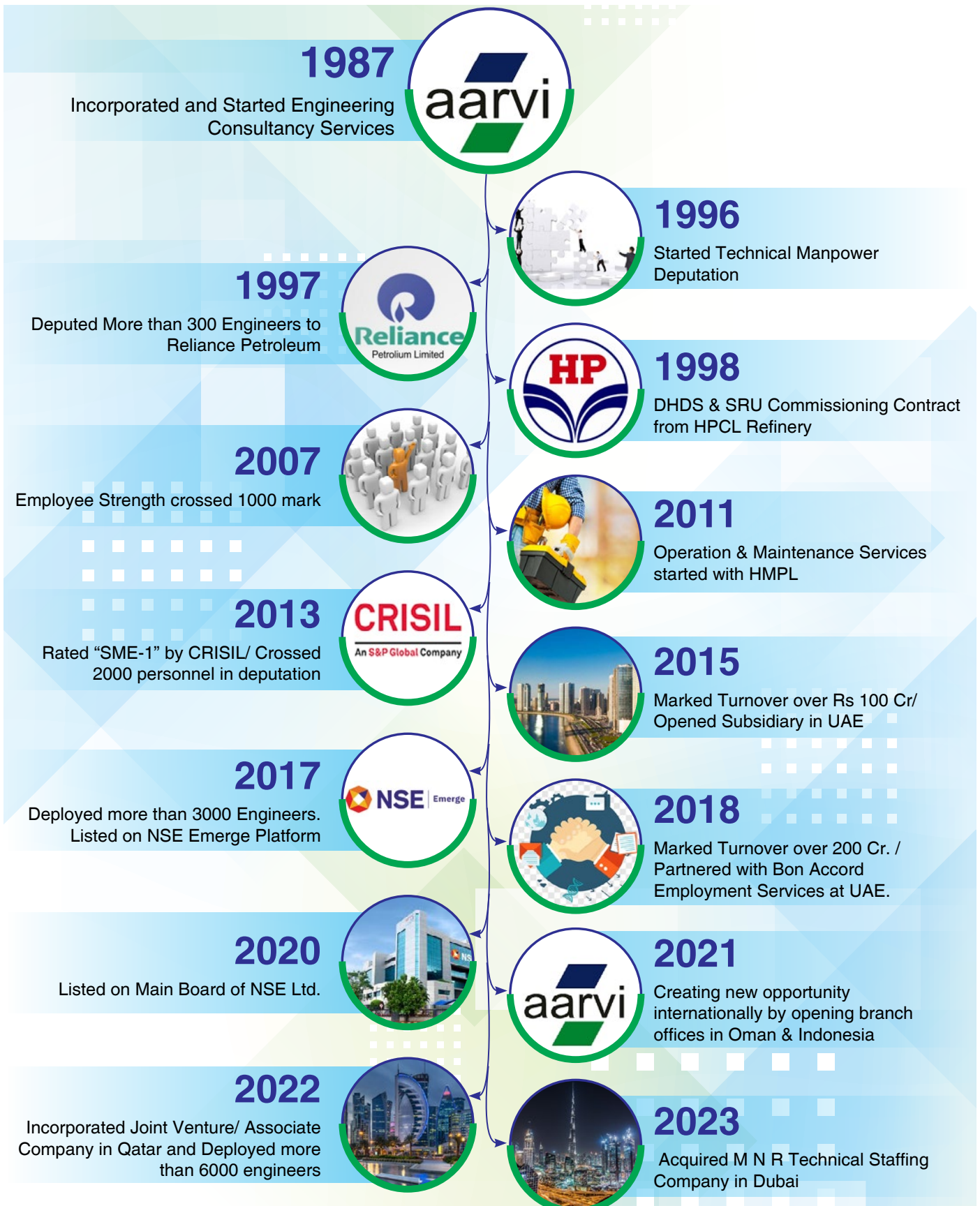
competitive advantage. We have grown steadily under the vision, leadership and guidance of our promoters, Mr. Virendra D. Sanghavi and Mr. Jaydev V. Sanghavi. Our promoters have played a key role in developing our business. Also, they have been assisted by a team of experienced personnel. The team comprises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

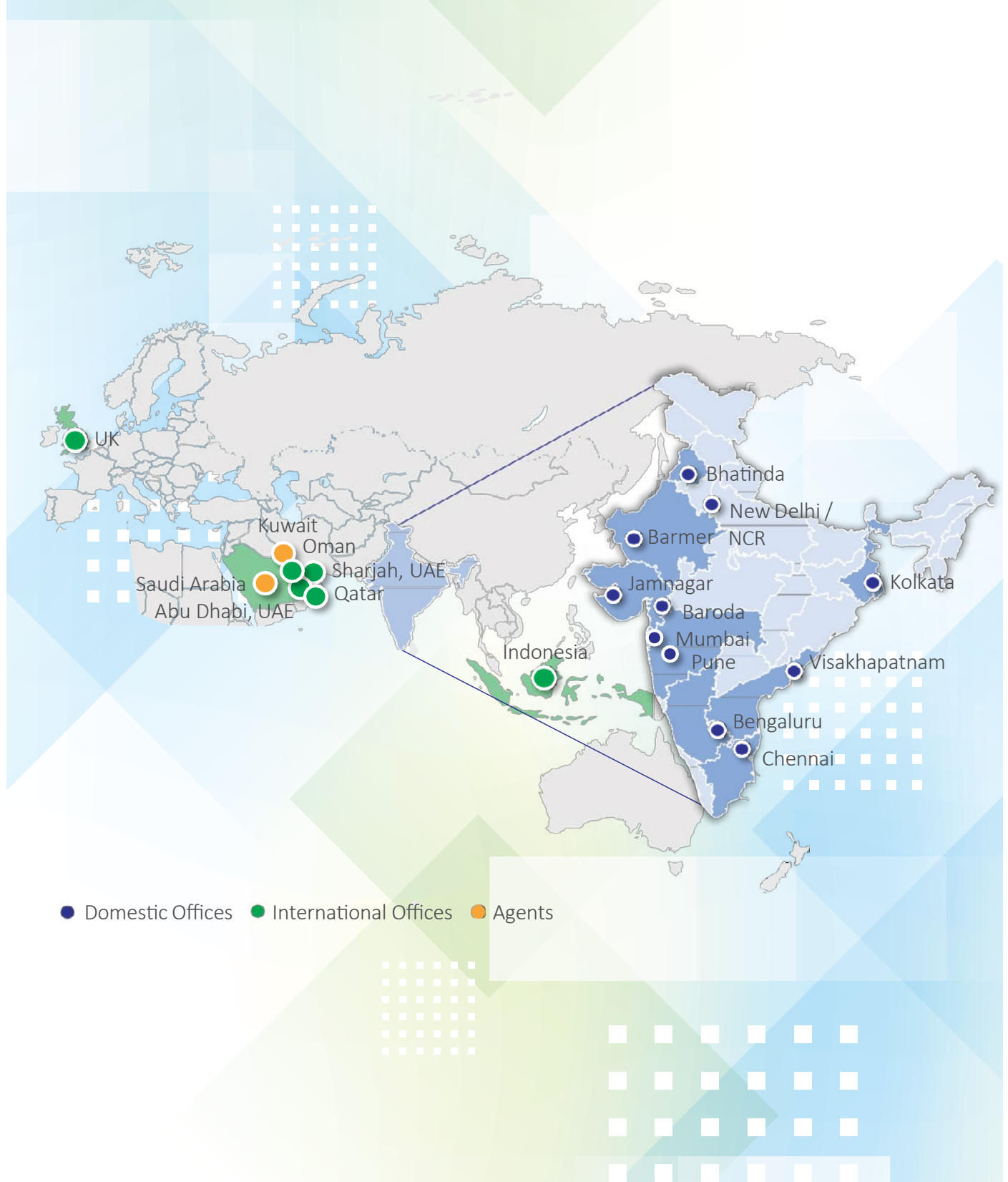
Diversified service profile, the company provides an array of services to corporate in Oil & Gas, Power, Refinery / Petrochemical, Pipeline, Infrastructure sectors in India and Abroad.

Area of Expertise





Geographic Footprint



Esteemed Clientele



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



CSR Journal Excellence
Awards, 2021

NOTICE OF 35TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

Notice is hereby given that 35th Annual General Meeting (Sixth AGM post IPO of the Company) of the members of the Aarvi Encon Limited ("the Company") will be held on Saturday, September 23, 2023, via video conference ("VC") / other Audio-Visual means ("OAVM") at 11:00 A.M. (IST), 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, 2023 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, 2023 and the report of Auditors thereon.
2. To declare a final dividend of Rs. 2/- per equity share for the Financial Year ended March 31, 2023.
3. To appoint a Director in place of Mr. Virendra D. Sanghavi (DIN: 00759176), Executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors
AARVI ENCON LIMITED

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Date: August 14, 2023
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. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/ OAVM. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.aarviencon.com. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited www.nseindia.com and the AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/ OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
7. All documents referred to in the accompanying Notice and the Statements, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act are available electronically for inspection by the members. Any member seeking inspection of such documents may write an email to cs@aarviencon.com.
8. Members who hold shares physically or 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 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.
9. Corporate Members are required to send to the Company a certified true copy of Board resolution pursuant to section 113 of the Companies Act 2013 together with the specimen signature authorizing their representative to attend the meeting through VC / OAVM and vote on their behalf at the meeting or through remote e-voting.
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member at the earliest. Members are also advised not to leave their demat account(s) dormant for long. Periodic Statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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 September 15, 2023.

16. The dividend on equity shares as recommended by the Board of Directors, if declared, at the meeting shall be paid to the members whose names are registered in the Register of Members / Beneficial owners as on September 15, 2023. 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. September 23, 2023. 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 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 claimed within thirty days from declaration shall be transferred to "Unpaid Dividend Account" of the Company in seven days from expiry of said thirty days in accordance with section 124 of the Act. Further, dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will, as per Section 124 of the Act, be transferred to the Investor Education and Protection Fund (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. 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: charmi@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, 2022 (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 | 5,699/- | September 22, 2027 |
| 2020-21 | 89,449/- | July 29, 2028 |
| 2021-22 (Interim Dividend) | 39,070/- | November 12, 2028 |
| 2021-22 (Final Dividend) | 82,101/- | August 02, 2029 |
23. 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:**
24. 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.

25. 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.
26. 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.
27. 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.
28. 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 Wednesday, September 20, 2023 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 Monday, September 18, 2023 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.

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

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

29. In accordance with the provisions of Section 108 and other applicable provisions of the Companies Act 2013, if any, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI Listing Regulations, the Company is offering e-voting facility to all the members of the Company and business may be transacted through such remote e-voting. Members can cast their votes online from 10:00 A.M (IST) on September 20, 2023 to 05:00 P.M (IST) on September 22, 2023.
30. 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.
31. 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 September 15, 2023 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.
32. 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. Any person who is not a member as on the cut-off date shall treat this notice for information purpose only.
33. 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.
34. 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.
35. 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.

36. 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).
37. 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.
38. Procedure and instructions of remote e-voting are detailed below:

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

The remote e-voting period begins on September 20, 2023 at 10:00 A.M. and ends on September 22, 2023 at 5:00 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. September 15, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 15, 2023.

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

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





Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 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

	<ol style="list-style-type: none"> 3. 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. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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

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

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

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

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - 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 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 mail@aashishbhatt.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login

to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com 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: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Veena Suvama 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 demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self -attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (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.**
2. 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.
3. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

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” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join 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.

39. 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.

40. 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. September 15, 2023 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.

The Scrutinizer will after the conclusion of the e-voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-voting and prepare a consolidated report. The resolutions shall be deemed to be passed on the date of meeting i.e. September 23, 2023, subject to the receipt of the requisite number of votes.

41. 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.aarviencon.com/announcements>.

42. Clarification in resolution – “Approval Of Aarvi Employee Stock Option Plan 2022” passed by the members of the Company in the AGM held in the Previous year on July 29, 2022:

In the Special Resolution passed by the Company on July 29, 2022 for (Item No. 9) the approval of Aarvi Employee Stock Option Plan 2022 , it was stated that “Options, not exceeding 5% of the paid-up Equity Share Capital of the Company as on the date of passing the Resolution...”. However, in the explanatory statement, Item No. 9 & 10 - point no. (b), it was stated that “Options exercisable into such number of equity shares being not more than 5% of the paid-up share capital of the Company at any point of time would be available for being granted.”

It is hereby clarified that “Options, not exceeding 5% of the paid-up Equity Share Capital of the Company as on the date of passing the Resolution” mentioned in the special resolution was the correct statement and there was a typographical error in the explanatory statement. Members of the Company are requested to take the note of the same.

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

**Sd/-
Leela Bisht
Company Secretary and Compliance Officer**

ANNEXURE A

Details of Director seeking appointment / re-appointment/ fixation of remuneration at the 35th 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
DIN	00759176
Age	80 years
Date of Birth	29/09/1942
Nationality	Indian
Qualifications	Chemical Engineering Graduate from UDCT (Now Institute of Chemical Technology)
Experience including expertise in specific functional areas / Brief Resume	<p>He is a Chemical Engineering Graduate from UDCT & have more than 48 years experience and excellent track record in design, development, construction and operation of process plants in India and Internationally.</p> <p>Previously working with various Engineering, Lubricant, Petrochemical, and Pharmaceutical companies such as Merck Sharp & Dohme India Ltd.</p> <p>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.</p>
Terms and conditions of appointment or re- appointment along with details of remuneration sought to be paid	As per the Board Resolution dated May 26, 2022 and Members Resolution dated July 29, 2022.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)
Date of first appointment on the Board	December 03, 1987
Shareholding in the company	75,95,000 shares (51.37 %)
relationship with other Directors, Manager and other Key Managerial Personnel of the company	<p>He is the father of Mr. Jaydev V. Sanghavi, Executive Director of the Company.</p> <p>Except Mr. Jaydev V. Sanghavi, he is not related to any other director and/or KMP of the company.</p>
Number of Meetings of the Board attended during the year	There were total 6 (Six) board meetings held during the year. He has attended 5 board meetings during the FY 2022-23.
Justification for re- appointment as Independent Directors	-
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)	<p>He is a Director in the following Companies:</p> <ol style="list-style-type: none"> 1. Aarvi Engineering & Consultants Pvt. Ltd.

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 35th 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, 2023. 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, 2023 and the corresponding figures for the previous year are as under:

Particulars	Consolidated (Rs.in Crores)			Standalone (Rs.in Crores)		
	Year ended 31 st March, 2023	Year ended 31 st March, 2022	Y-o-Y growth(%)	Year ended 31 st March, 2023	Year ended 31 st March, 2022	Y-o-Y growth(%)
Net Revenue from Operations	436.52	288.54	51	382.69	274.51	39
Other Income	1.31	1.17	12	1.61	1.21	34
Total Income	437.84	289.72	51	384.30	275.72	39
Total Expenditure	421.30	277.58	52	369.0	263.33	40
EBITDA	18.66	13.91	34	18.25	14.14	29
Profit before tax	15.68	12.15	29	15.30	12.39	24
Current Tax	1.11	0.11	-	1.11	0.11	-
Deferred Tax	0.05	(0.02)	-	0.07	(0.02)	-
Profit after taxes	14.51	12.06	20	14.12	12.30	15
EPS	9.82	8.16	20	9.55	8.33	15

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2023 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and

cash flows for the year ended March 31, 2023. 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 good performance in revenue during FY 2022-23. Revenue from operations at Rs. 382.69/- Cr. as against Rs. 274.51/-

Cr. of previous year which has increased drastically by 39% year on year, reflecting an exceptional results in key markets and segments. Operating profit at Rs. 14.12/- Cr. as against Rs. 12.30/- Cr. of previous year witnessing tremendous increase of 15% year on year.

CONSOLIDATED PERFORMANCE

Your Company has reported growth in revenue for the year ended on 31st March 2023. Revenue from operations at Rs. 436.52/- Cr. as against Rs. 288.54/- Cr. of previous year reflecting the increase in the growth than the previous year performance in key markets and segments. Operating profit at Rs. 14.51/- Cr. as against Rs. 12.06/- Cr. of previous year shows the upward growth.

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

In accordance with Section 129 of Companies Act, 2013 and the IND AS-27 on Consolidated and Separate Financial Statements, the Audited Consolidated Financial Statements are provided in the Annual Report.

2. SHARE CAPITAL

The Total Paid-up Capital of the Company as on March 31, 2023 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.

In order to enable the employees of the Company to participate in the future growth and success of the Company, the Board of Directors in their meeting held on May 26, 2022 adopted Aarvi Encon Limited Employee Stock Option Plan, 2022. This ESOP Scheme was approved by the Shareholders of the company in the Annual General Meeting held on July 29, 2022. The Company has also received In-principle Approval from the National Stock Exchange for listing of 7,39,200 equity shares under the Aarvi Encon Limited Employee Stock Option Plan, 2022.

3. DIVIDEND

Based on the Company's performance and keeping in mind the shareholders' interest, the Board of Directors of the Company at its meeting held on May 29, 2023 has recommended a Final Dividend of 20 % i.e. Rs. 2/- per fully paid- up Equity Share of the face value of Rs. 10/- each for the year ended March 31, 2023, subject to the approval of the Members at the ensuing Annual General Meeting. The dividend

once approved by the Shareholders will be paid after September 23, 2023.

The dividend on Equity Shares if approved by the Members, would involve a cash outflow of Rs. 2.96 Crores reflecting pay out of 20% of the Net Profit and shall be paid out of profits of the Company for previous financial years i.e. FY 2022-23 forming a part of retained earnings pursuant to Section 123 (1) of the Companies Act, 2013 ('the Act').

In view of the amendment to the Income Tax Act, 1961 through the Finance Act, 2020, imposition of Dividend Distribution Tax has been abolished. The dividend, if declared at the ensuing AGM will be taxable in the hands of the shareholders of the Company.

DIVIDEND DISTRIBUTION POLICY

As mandated under regulation 43A of SEBI Listing Regulations, the Board of Directors of the Company at its meeting held on June 3, 2021 adopted a Dividend Distribution Policy for the Company, which sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

4. RESERVES

The Balance in Reserves & Surplus stands at Rs 93.28/- Cr. in comparison with the previous year balance of Rs. 79.91/- Cr. As per Consolidated financials, the net movement in the reserves of the Company for FY23 and FY22 are as follows:

Particulars	As on March 31, 2023 (Rs. in Cr.)	As on March 31, 2022 (Rs. in Cr.)
Securities Premium	14.92	14.92
General Reserve	6.91	6.91
Retained Earnings	69.21	56.90

5. SUBSIDIARY COMPANIES

The Company has three Subsidiary Companies and One Associate Company as on March 31, 2023.

1. Aarvi Encon FZE located at United Arab Emirates (UAE);
2. Aarvi Engineering and Consultants Private Limited;
3. Aarvi Encon Resources Limited located at United Kingdom (UK);
4. Aarvi Encon Staffing Services W.L.L. Located at Qatar.

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://aarviencon.com/investors/policies>

Aarvi Encon FZE, a wholly owned Subsidiary Company continues to be a material subsidiary of the Company as its net worth stands more than 10% to the total net worth 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.

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 the applicable "Accounting Standard" issued by ICAI.

Aarvi Encon Resources Ltd (AERL) incorporated on March 07, 2018 at United Kingdom (UK), a wholly owned Subsidiary of the Company. The Company has started its operation in the F.Y. 2022-23. The accounts of the AERL are also consolidated with the Company.

Internationally, the Company has its presence via **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.

Aarvi Encon staffing Services W.L.L. (Qatar), an Associate Company, located at Qatar incorporated on January 24, 2022.

The aforesaid Companies are yet to start their operations and are expected to start their operations in the F.Y 2023-24.

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.

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://aarviencon.com/investors/financial-results>

5. AARVI ESOP, 2022

Pursuant to the approval of Members at the AGM held on July 29, 2022, the Company adopted Aarvi Encon Limited Employee Stock Option Plan, 2022, in order to retain and incentivize key talent, for driving long term objectives of the Company and ensuring that employee payoffs match the long gestation period of certain key initiatives whilst simultaneously fostering ownership behavior and collaboration amongst employees. The Company received In-Principle Approval from the National Stock Exchange on March 08, 2023 for listing of not exceeding 7,39,200 Stock Options under the Aarvi Encon Limited Employee Stock Option Plan, 2022, but the company has not yet implemented the policy of granting shares to the employees of the Company. The Aarvi Encon Limited Employee Stock Option Plan, 2022 is in compliance of SEBI (Share Based Employee Benefits) Regulations, 2014 and this has been certified by the secretarial auditor of the Company. The certificate of the secretarial auditor can be accessed on the following link <https://aarviencon.com/investors/shareholders-information-and-announcements>.

In line with Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014, a statement giving complete details, as at 31 March 2023, is available on the website of the Company at <https://aarviencon.com/investors/shareholders-information-and-announcements>, which forms part of the Board's Report and is annexed as Annexure 2 to this report.

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

Pursuant to the provisions of Regulation 34(e) read with "Schedule V" 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, is presented in a separate section forms part of this 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 in terms of regulation 34(3) read with "Schedule V" of the SEBI LODR Regulations 2015, for financial year 2022-23 is presented in separate section forming part of this Annual Report. A Certificate from M/s. Bhatt & Associates, Company Secretaries, LLP, confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations, is enclosed to this 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. Hence, the requirement for furnishing the details relating to deposits covered under Chapter V of the Act or the details of deposits that are not in compliance with the Chapter V of the Act is not applicable.

9. Change in the nature of business

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

10. PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS

The particular of loans given, guarantees provided and investments made are given in the notes to the Financial Statements.

11. DISCLOSURE OF 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. Accordingly, the disclosure of related party transaction as required under section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the F.Y. 2022-23 and hence does not form part of this report.

Details of related party transactions entered into by the Company, in terms of AS-24 have been disclosed in the notes to the financial statements forming part of this report.

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://aarviencon.com/investors/policies>.

During the year 2022-23 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.

12. 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, 2023 comprises of Two Executive Directors out of which one is Managing Director and other is Chief Financial Officer and Five 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.

In compliance with Section 149, 150, 152 of the Act, Mr. Ramamoorthy Ramachandran was appointed as a Non-Executive Independent Director of the Company w.e.f. January 23, 2023.

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.

NUMBER OF BOARD MEETINGS DURING THE YEAR

During the year, 6 meetings of the Board of Directors were held. The details of the same are mentioned in Corporate Governance 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;
- Stakeholders' Relationship Committee;
- Corporate Social Responsibility 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(8) of the Companies Act, 2013, the composition of the Audit Committee is disclosed as under:

Sr. No.	Name of the Member	Designation
1.	Mr. Devendra J. Shrimanker	Chairperson (Independent Director)
2.	Mrs. Sonal N. Doshi	Member (Independent Director)
3.	Mrs. Padma V. Devarajan	Member (Independent Director)
4.	Mr. Jaydev V. Sanghavi	Member (Executive Director and CFO)
5.	Mr. Ramamoorthy Ramachandran* *Appointed w.e.f. May 16, 2023.	Member (Independent Director)

The details of all the Committees along with their composition, number of meetings and attendance at the meeting is stated 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 of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Board of Directors has approved Nomination and Remuneration policy and available at the Company's website under the web link <https://aarviencon.com/investors/policies>

The details pertaining to composition of the Nomination and Remuneration Committee are disclosed as under:

Sr. No.	Name of the KMP	Designation
1.	Mr. Devendra J. Shrimanker	Chairperson (Independent Director)
2.	Mrs. Sonal N. Doshi	Member (Independent Director)
3.	Mrs. Padma V. Devarajan	Member (Independent Director)
4.	Mr. Sharad S. Sanghi	Member (Independent Director)

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

Company Secretary acts as the Secretary to the Committee.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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	Chairperson – Managing Director
2.	Mrs. Sonal N. Doshi	Member (Independent Director)
3.	Mrs. Padma V. Devarajan	Member (Independent Director)
4.	Mr. Sharad S. Sanghi	Member (Independent Director)
5.	Mr. Ramamoorthy Ramachandran*	Member (Independent Director)

*Appointed w.e.f. May 03, 2023.

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. 16,93,824/- on the CSR expenditure as against the mandated spend of Rs. 10,48,664/- . 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 2022-23 forms part of the Board's Report and is annexed as Annexure 3 to this report.

FINANCE AND MANAGEMENT COMMITTEE

The Board constituted the Finance & Management Committee, The Committee has been given the powers 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, 2023 is as follows:

Sr. No.	Name of the KMP	Designation
1.	Mr. Virendra D. Sanghavi	Chairperson – Managing Director
2.	Mr. Jaydev V. Sanghavi	Member (Executive Director and CFO)

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 Chief Financial Officer
3.	Ms. Leela S. Bisht	Company Secretary & Compliance Officer

D. Details of Directors or Key Managerial Personnel 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 forthcoming Annual General Meeting.

The Board of Directors on the recommendation of NRC and in accordance with provisions of the Act and SEBI Listing Regulations has appointed Mr. Ramamoorthy Ramachandran as a Non-Executive Independent Director on the Board for a tenure of 5 years w.e.f. January 23, 2023.

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

The Company has paid Commission @0.5% of the total turnover of the Company to 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 D. Sanghavi and Mr. Jaydev V. Sanghavi did not draw any remuneration and /or commission from its subsidiaries.

13. 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 re-appointed during the tenure 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://aarviencon.com/investors/policies>

14. Annual Evaluation

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

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 and also assessed the quality, quantity and timeliness of the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties was also carried out by the Independent Directors of the Company through separate meeting on March 29, 2023

15. 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 6 (six) times during the financial year 2022-23. 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.

16. AUDITORS

A. STATUTORY AUDITORS

As per the provision of Section 139, 141 of the Companies act, 2013 and rules made thereunder, at the 34th AGM held on July 29, 2022, the Members had approved the appointment of M/s. Jay Shah & Associates, Chartered Accountants (Firm

Registration No. 135424W) as the Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 34th AGM till the conclusion of the 39th AGM.

AUDITOR'S REPORT

The Auditor's Report on the Financial Statements of the Company for the year ending March 31, 2023 is unmodified i.e., it does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the Financial Statements forming part of the Annual Report.

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

Pursuant to the provisions of Section 138 of the act and the Companies (accounts) Rules, 2014, your Company has appointed M/s. 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 M/s. Bhatt & Associates, Company Secretaries, LLP, Mumbai, as Secretarial Auditor to conduct the Secretarial Audit of the Company for financial year 2022-23 and his Report is annexed to this Board Report (Annexure 4).

D. Secretarial Compliance Report of Aarvi Encon Limited for the year ended March 31, 2023

As per Regulation 24A of SEBI LODR Regulations, 2015, read with SEBI Circular dated February 08, 2019, the listed entities in addition to the Secretarial Audit Report as required under section 204 of the Companies Act, 2013 is also required to submit a separate report i.e. Annual Secretarial Compliance Report with the exchange within sixty days of the end of the year for compliance of all the applicable SEBI Laws, circulars or guidelines thereunder.

The Secretarial Compliance Certificate has been issued by the M/s. 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://aarviencon.com/investors/secretarial-compliance-report>

The observations and comments given by the Secretarial Auditor in their Report are self-explanatory and hence do not call for any further comments. Refer Annexure 5 for the Secretarial Compliance Report and Secretarial Audit Report.

17. INTERNAL FINANCE CONTROL

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.

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

There were no material changes and commitments, 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 till the date of this Report.

19. 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.

20. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is committed towards energy conservation. We recognize energy efficiency plays central role in lowering your Company's operational Green House Gas emissions. Various improvements and initiatives are implemented to enhance efficiency through technological upgrades and effective monitoring of operational and maintenance activities. Your Company has been able to reduce the electricity consumption and carbon footprint over the years through effective energy management and sustainable initiatives. The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 135 (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:

Company has not taken any such steps as we are into service sector and consume only electricity to operate laptop and maintain server.

3. The Capital Investment on Energy Conservation Equipment:

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

B) Technology Absorption

Particulars relating to technology absorption are not applicable.

C) Foreign Exchange Earnings and Outgo

(Amount in Rs.)

Particulars	2021 – 22	2022 – 23
Foreign Exchange Earnings in terms of actual inflows	3,00,139.00	4,76,483.00
Foreign Exchange outgo in terms of actual outflow	6,80,086.00	21,12,853.00

21. VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

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 of the Company for redressal. 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 at <https://aarviencon.com/investors/policies>

22. INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Insider Trading Policy as approved by the Board is in force in the Company. The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees, their relatives, 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).

23. ANNUAL RETURN:

As required under Section 92(3) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website on at www.aarviencon.com

24. CREDIT RATING

Your Company's Domestic Credit Rating is CRISIL SME Rating 1 for the long-term debt /facilities by CRISIL. CRISIL has reaffirmed its ratings i.e. BBB/ STABLE for long term borrowings and A3 + for

short term borrowings. The Credit Rating derive strength from the operational track record of the Company, cost competitiveness, flexibility derived from diversified services and the Company's effort to reduce cost and to improve cost efficiency.

25. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 135 of the Companies Act, 2013, shall state that:

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

26. 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.

27. 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.

28. PARTICULARS OF EMPLOYEES

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

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

Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may write to the Company Secretary at cs@aarviencon.com and the same will be furnished on request. The Company has no employee, who is in receipt of remuneration of Rs. 8,50,000/- per month and / or Rs. 1,02,00,000 per annum and hence the Company is not required to give information under sub rule 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Further, Company has not posted any of the Employees 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 during the year.

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

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

- (a) Ratio of the remuneration of each Director, Chief Financial Officer and Company Secretary of the Company and b) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022 - 23:

Name of the Directors	Designation	Remuneration of the Directors	% Increase in the Remuneration	Ratio of Remuneration of each Director/to median remuneration of employees.	Increase/ (Decrease) in Median Remuneration as compared to Previous Year
Mr. Virendra D. Sanghavi	Managing Director	1,68,00,000	-	32.84	(6.92)
Mr. Jaydev V. Sanghavi	Executive Director & CFO	1,68,00,000	-	32.84	(6.92)
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	-
Ms. Leela S. Bisht	Company Secretary	-	-	1.05	-

* Entitled for Sitting fees of 20,000 for attending each Board and Audit Committee and 7,500 for attending all other Committee Meetings.

- (b) Number of permanent employees on the rolls of Company: 5427
- (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: NIL
- (e) It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other Employees is as per the remuneration policy of the Company.
- (f) Names of top 10 employees of Company in terms of remuneration drawn and name and particulars of the employees who were employed throughout the financial year and were in receipt of remuneration for that year which, in the aggregate, was not less than One Crore and Two Lakh Rupees per financial year and name and particulars of employees who were employed for a part of the year and were in receipt of remuneration for that period which, in the aggregate, was not less than Eight Lakh Fifty Thousand Rupees per month: No employees drew remuneration as per the limits specified under rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- (g) Names of employees of Company, who were employed throughout the financial year or part thereof and were in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or 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
- 29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**
- Your 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 thereunder, 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 2022-23.

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 Return under the aforesaid Act has been filed with the Labour Commissioner, Mumbai.

30. 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 : 5427

No. of Women Employees during the F.Y 2022-23 : 215

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://aarviencon.com/investors/policies>, which forms part of the Board's Report and is annexed as Annexure 6 to this report.

31. COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD - 1 (SS-1) AND SECRETARIAL STANDARD - 2 (SS-2)

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such

systems are adequate and operating effectively. The company has complied with SS-1 and SS-2.

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

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

33. 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 Report as Annexure 7.

34. 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 35 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 2022-23 as set separately in this annual report.

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. 2022-23.

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. DISCLOSURE UNDER RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

During the year under review the Company has not made any application nor any proceedings are pending under the Insolvency and Bankruptcy Code, 2016. Further there were no instances of one-time settlement for any loans taken from the Banks or Financial Institutions.

39. CAUTIONARY STATEMENT

The Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be

"forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in Government regulations, Tax regimes, economic developments within India and other ancillary factors.

40. ACKNOWLEDGEMENT

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

For and on behalf of the Board,

Aarvi Encon Limited.

Sd/-

Virendra D. Sanghavi

Managing Director

DIN: 00759176

Sd/-

Jaydev V. Sanghavi

Executive Director

DIN: 00759042

Date: August 14, 2023

Place: Mumbai

ANNEXURE - 1**Form AOC -1****Part “A”: Subsidiaries**

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, UAE		Aarvi Engineering and Consultancy Private Limited, India	Aarvi Encon Resources Limited, UK	
1	Reporting Currency	(Rs. In Lakhs)	(AED)	(Rs. In Lakhs)	(Rs. In Lakhs)	(GBP)
	Exchange rate as on 31.3.2023	-	Balance Sheet 1 AED - Rs. 20.67 Profit and Loss 1 AED - Rs. 22.36	-	-	Balance Sheet 1 GBP - Rs. 99.83 Profit and Loss 1 GBP - Rs. 101.56
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-	-
2	Equity Share Capital	27.07	150,000.00	20.00	0.09	100
3	Reserve and Surplus	1,406.83	6,610,918.00	45.98	-3.10	-12,629
4	Total Assets	2,203.28	10,141,653.00	67.15	88.52	86,526
5	Total Liabilities	2,203.28	10,141,653.00	67.15	88.52	86,526
6	Investments	-	-	37.16	-	-
7	Turnover	5,303.12	24,632,418.00	9.10	70.47	69,986
8	Profit Before Tax	53.92	474,583.00	-2.85	-2.90	-12,435
9	Provision for Tax	-	-	0.00	-	-
10	Deferred Tax	-	-	-1.58	-	-
11	Profit After Tax	53.92	474,583.00	1.28	-2.90	-12,435
12	Other Comprehensive Income	106.00	-	-	-0.02	-
13	Total Comprehensive Income	159.92	474,583.00	1.28	-2.92	-12,435
14	Proposed Dividend	-	-	-	-	-
15	% of Shareholding	100%	100%	100%	100%	100%

- Names of subsidiaries which are yet to commence operations: There are no Subsidiaries which are yet to commence its operations.
- 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.
- Aarvi Encon FZE, AED column is on Consolidated basis.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Name of Associates/Joint Ventures	Aarvi Encon Staffing Services, Qatar
1. Latest audited Balance Sheet Date	-
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of Shares	98 Shares
Amount of Investment in Associates/Joint Venture	98,000 Qatari Riyals
Extend of Holding %	49

Name of Associates/Joint Ventures	Aarvi Encon Staffing Services
3. Description of how there is significant influence	Aarvi Encon Holds 49% Stake.
4. Reason why the associate/joint venture is not consolidated	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet	3.12 Lakhs
6. Profit / (Loss for the year)	
i. Considered in Consolidation	(10.27) Lakhs
i. Not Considered in Consolidation	-

- Aarvi Encon Staffing Services, Associate Company of Aarvi Encon Limited incorporated on January 24, 2022 and has commenced its operations.
- None of the joint ventures which have been liquidated or sold during the year.

For Jay Shah & Associates

Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor M.No. 134334
Place : Mumbai
Date : August 14, 2023

Virendra D. Sanghavi

Sd/-
Managing Director DIN:00759176

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748
Place : Mumbai
Date : August 14, 2023

Jaydev V. Sanghavi

Sd/-
Executive Director & CFO
DIN:00759042

Annexure 2

Information Regarding Employees Stock Option Scheme (ESOS) Pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014.

1) Details related to the Scheme:

As on May 26, 2022, the Company has in place the 'Aarvi - Employee Stock Option Plan 2022' ("Aarvi ESOP Plan 2022"). All the relevant details as prescribed under above Rule and Regulation are provided below and the same is also available on the website of the Company at <https://aarviencon.com/>.

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

Please refer Note 20 - Share Based Payment, of Notes to the Standalone Financial Statements forming part of the Annual Report.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations in accordance with 'Indian Accounting Standard (Ind AS) - 33 - Earnings Per Share' or any other relevant accounting standards as prescribed from time to time.

Fully diluted EPS pursuant to issue of Equity Shares on exercise of stock options calculated in accordance with Ind AS - 34 Earning Per Share' (Consolidated): Basic: 9.55 , Diluted: 9.55

C. Other Details relating to Aarvi ESOP Plan 2022.

i. Date of shareholders' approval: As on May 26, 2022, the Company has in place the Newgen Employee Stock Option Scheme - 2014 'Aarvi - Employee Stock Option Plan 2022' ("Aarvi ESOP Plan 2022"), as approved by the shareholders on 29 July, 2022. The maximum number of 7,39,200 shares can be issued under Aarvi ESOP Plan 2022, the Company has received In-Principle approval from the National Stock Exchange for listing of 7,39,200 shares under the Aarvi ESOP Plan 2022, but the company has not yet implemented the policy of granting shares to the employees of the Company.

(a) Total number of options approved: 7,39,200 shares

(b) Total number of options granted: Nil

(c) Vesting requirements:

Number of Options vested	Vesting Schedule
20% of the Options Granted	One year from the date of Grant
Another 20% of the Options Granted	Two years from the date of Grant
Next 20% of the Options Granted	Three years from the date of Grant
Next 20% of the Options Granted	Four years from the date of Grant
Balance 20% of the Options Granted	Five years from the date of Grant

(d) Exercise price or pricing formula: Exercise price shall be the price as decided by the Nomination & Remuneration Committee

(e) Maximum term of options granted: Options granted under ESOP 2009 shall be capable of being exercised within a period of five years from the date of Vesting of the Aarvi ESOP Plan 2022.

(f) Source of shares (primary, secondary or combination): Primary

(g) Variation in terms of options: None

ii. Method used to account for ESOS: NA

- iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed: NA
- iv. Option movement during the year: NA
- v. Weighted-average exercise prices and weighted-average fair values of options: NA
- vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted method and significant assumptions used during the year to estimate the fair value of options: NA
- vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the related information: NA

Sd/-

Leela S. Bisht

Company Secretary & Compliance Officer

Date: August 14, 2023

ANNEXURE 3

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FY 2022 -23

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

As an integral part of our commitment to good corporate citizenship, we at Aarvi Encon Limited believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around our business operations. Towards achieving long-term stakeholder value creation, we shall always continue to respect the interests of and be responsive towards our key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; focused on inter alia the Scheduled Castes and Scheduled Tribes, and the society at large. In order to leverage the demographic dividend of our country, Company's CSR efforts shall focus on Health, Education and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting rural and urban India. CSR at Aarvi Encon Limited shall be underpinned by 'More from Less for More People' philosophy which implies striving to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

Guiding principles:

The Company believes that social investments should:

- **Benefit Generations:** 'Investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for Self-Reliance and Growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote Health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for Self Help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Be Focused:** Activities should be focused around locations where it has a presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.

These Projects align with the ESG framework and support 7 of the UN SDG Goals.



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	1	1
2	Mrs. Sonal N. Doshi	Member	1	1
3	Mrs. Padma Devarajan	Member	1	1
4	Mr. Sharad S. Sanghi	Member	1	1

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/policies-of-the-company>.

4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable :

Not applicable to the Company, since the Company did not meet the criteria specified under Section 135(5) of the Companies Act, 2013.

5. (a) Average net profit of the company as per sub-section (5) of section 135: **INR 8,17,47,618 /-**
 (b) Two percent of the average net profit of the Company as per Section 135 (5): **INR 16,34,952 /-**
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **INR 5,86,288 /-**
 (d) Amount required to be set off for the financial year, if any: **INR 5,86,288 /-**
 (e) Total CSR obligation for the financial year [b+c-d]: **INR 10,48,664 /-**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 16,93,824 /-**
 (b) Amount spent in Administrative Overheads: **NIL**
 (c) Amount spent on Impact Assessment, if applicable: **NA**
 (d) Total amount spent for the Financial Year [a+b+c]:
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year 2022-23	Amount Unspent (in Rs.)				
	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 16,93,824 /-	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Nil	N.A	N.A	Nil	N.A

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	16,34,952
(ii)	Total amount spent for the Financial Year	16,93,824
(iii)	Excess amount spent for the financial year [(ii)-(i)]	57,872
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	5,86,288
(v)	Amount available for set off in succeeding financial years [(iii)+(iv)]	6,45,160

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs.).	Date of transfer		
1.	2022-23	-	-	-	-	-	-	-
2.	2021-22	-	-	-	-	-	-	-
3.	2020-21	-	-	-	-	-	-	-
		-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA							

9. 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/- Sd/-

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

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

Date: August 14, 2023
Place: Mumbai

ANNEXURE 4
Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[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, 2023, 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, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no External Commercial Borrowings during the year under review;
- 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, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - 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, 2021 - Not applicable; and

- h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - 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 given 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.

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 ("Listing Regulations"), the Company has complied with the provisions of the Regulation and circulars/ guidelines issued thereunder *except in respect of matters specified below:-*

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Observations/ Remarks of the Practicing Company Secretary
1.	As per regulation 34 read with Schedule V of Listing Regulations, the Annual Report shall contain Corporate Governance Report which shall disclose the Dividend payment date in General shareholder's information.	Regulation 34 read with Schedule V of Listing Regulations	Non-disclosure of Dividend payment date in General shareholder information in Corporate Governance Report forming part of Annual Report for the financial year ended 2022
2.	Pursuant to regulation 36(5) of Listing Regulations following disclosures as a part of the explanatory statement are to be disclosed - Proposed fees payable to the statutory auditor along with terms of appointment - In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	Regulation 36(5) of Listing Regulations	Non-disclosure of the proposed fees payable to the statutory auditor and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change in the explanatory statement to AGM Notice.
3.	As per National Stock Exchange(NSE) Circular dated October 28, 2022, the companies were required to submit SDD Compliance Certificate by November 18, 2022 for quarter ended September 2022	NSE Circular dated October 28, 2022	Delay in submission of SDD compliance certificate for quarter ended September 30, 2022

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except *Performance evaluation for the F.Y. 2021-2022 not undertaken during the year under review; Disclosure of interest of the Directors and KMP not considered in the First Board Meeting of the Financial year under review.*

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 including shorter notice 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 have relied on the representation made by the Company and its Officers for 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) Re-appointment of Executive Directors and Key Managerial Personnel;
- (ii) Re-appointment of Non- Executive Directors;
- (iii) Approval for fixing remuneration and payment of commission to the Executive Directors;
- (iv) Approval of the members for Appointment of Independent Director through postal ballot;
- (v) Declaration of Final Dividend for the Financial Year 2021-22;
- (vi) Adoption and review of various policies;
- (vii) Approval of Aarvi Employee Stock Option Plan 2022 (ESOP 2022) for issuance and allotment of equity shares to employees of Holding (if any, in future) and subsidiary company(ies) under the said ESOP 2022;
- (viii) Reconstitution of Committees;
- (ix) Re-appointment of Statutory Auditors for Second Term of 5 years.

For Bhatt & Associates Company Secretaries LLP

Place: Mumbai
Date: 14.08.2023

Bhavika A. Bhatt
Designated Partner
ACS No.: A36181 COP No.: 13376
UDIN: A036181E000798679

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/-

Bhavika A. Bhatt
Designated Partner

Place: Mumbai
Date: 14.08.2023

ACS No.: A36181 COP No.: 13376
UDIN: A036181E000798679

ANNEXURE 5

SECRETARIAL COMPLIANCE REPORT OF FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
Aarvi Encon Limited.

I have examined:

- a) all the documents and records made available to us and explanation provided by **M/s. 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 March 31, 2023 (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 (the "Listing Regulations");
 - 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 and Sweat Equity) Regulations, 2021;
 - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – Not Applicable;
 - g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- and circulars/ guidelines issued thereunder;

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr No.	Particulars	Compliance Status (Yes / No / NA)	Observation / Remarks by PCS
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable	Yes	
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/ guidelines issued by SEBI 	Yes Yes	

3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 	Yes	
4.	Disqualification of Director: None of the Director of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	Yes	
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations	Performance Evaluation for FY 2022-23 will be done in Board Meeting held on 29.05.2023	
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No actions has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	Yes	
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/ circular/ guidance note etc.	No Stated below	Refer below

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor		
	<p>i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or</p> <p>ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or</p> <p>iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.</p>	NA as the statutory auditor's term got completed and new auditor has been appointed during the period under review.	
2.	Other conditions relating to resignation of statutory auditor		
	<p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	NA as the statutory auditor's term got completed and new auditor has been appointed during the period under review.	
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	

- 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)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action
1.	As per regulation 34 read with Schedule V of Listing Regulations, the Annual Report shall contain Corporate Governance Report which shall disclose the Dividend payment date in General shareholder's information.	Regulation 34 read with Schedule V of Listing Regulations		NA	NA
2.	Pursuant to regulation 36(5) of Listing Regulations following disclosures as a part of the explanatory statement are to be disclosed - Proposed fees payable to the statutory auditor along with terms of appointment - In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	Regulation 36(5) of Listing Regulations		NA	NA
3.	As per NSE Circular dated 28.10.2022, the companies were required to submit SDD Compliance Certificate by November 18, 2022 for quarter ended September 2022	NSE Circular dated 28.10.2022		NA	NA

Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Non-disclosure of Dividend payment date in General shareholder information in Corporate Governance Report forming part of Annual Report for the financial year ended 2022.	NA	Non-disclosure of Dividend payment date in General shareholder information in Corporate Governance Report forming part of Annual Report for the financial year ended 2022.	The exact date of Dividend payout was not fixed by the Management while publishing Annual Report to the Shareholder, however the same is disclosed in the Gist of 34th Annual General Meeting	

Non-disclosure of the proposed fees payable to the statutory auditor and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change in the explanatory statement to AGM Notice.	NA	Non-disclosure of the proposed fees payable to the statutory auditor and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change in the explanatory statement to AGM Notice.	The Company missed out to mention in the notice to shareholder of 34th Annual General Meeting, the same will be taken care henceforth.	
Delay in submission of SDD compliance certificate for quarter ended September 30, 2022	NA	Delay in submission of SDD compliance certificate for quarter ended September 30, 2022	Due to medical emergency, the compliance officer was on leave. Therefore, there was a delay in submitting SDD report.	

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

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action
1.	As per regulation 30 of SEBI Listing Regulation read with Para A Part A of Schedule III, Outcome of meeting of Board of Directors in which Financial Results have been approved are to be disclosed to Stock Exchange within 30 minutes of the closure of meeting.	Regulation 30 of SEBI Listing Regulations		NA	NA

Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NA	NA	Delay in submission of Outcome of Board meeting held on 03.06.2021 during the period under review.	Due to the Lock down situation and practical issues, Company delayed in publishing Outcome within 30 minutes, the same is also informed to Exchange.	

For Bhatt & Associates Company Secretaries LLP

Aashish K. Bhatt
Designated Partner

Place: Mumbai
Date: 23.05.2023

Membership No.: 19639, C P No. 7023
UDIN: A019639E000362124
Peer Review Certificate No.: 2959/2023

Annexure 6

The details of the policies approved and adopted by the Board as required under the Act and SEBI

Listing Regulations:

Sr. No.	Policy Name	Web-link
1	Vigil Mechanism / Whistle Blower Policy [Regulation 22 of SEBI Listing Regulations and as defined under Section 177 of the Act]	https://aarviencon.com/investors/policies
2	Policy for procedure of inquiry in case of leak or suspected leak of unpublished price sensitive information [Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations]	https://aarviencon.com/investors/policies
3	Code of Practices and Procedures for Fair disclosure of unpublished price sensitive information [Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations]	https://aarviencon.com/investors/policies
4	Terms of Appointment of Independent Directors [Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV to the Act]	https://aarviencon.com/investors/independent-directors
5	Familiarization Program [Regulations 25(7) and 46 of SEBI Listing Regulations]	https://aarviencon.com/investors/independent-directors
6	Related party transactions Policy [Regulation 23 of SEBI Listing Regulations and as defined under the Act]	https://aarviencon.com/investors/policies
7	Policy on Material Subsidiary [Regulation 24 of the SEBI Listing Regulations]	https://aarviencon.com/investors/policies
8	Material Events Policy [Regulation 30 of SEBI Listing Regulations]	https://aarviencon.com/investors/policies
9	Website content Archival Policy [SEBI Listing Regulations]	https://aarviencon.com/investors/policies
10	Policy on Preservation of Documents [Regulation 9 of SEBI Listing Regulations]	https://aarviencon.com/investors/policies
11	CSR Policy [Section 135 of the Companies Act]	https://aarviencon.com/investors/policies
12	Code of Conduct [Regulation 17 of the SEBI Listing Regulations]	https://aarviencon.com/investors/policies
13	Anti-Bribery and Anti-Corruption Policy of the Company [Under Prevention of Corruption Act]	https://aarviencon.com/investors/policies

Sd/-

Leela S. Bisht

Company Secretary & Compliance Officer

Date : August 14, 2023

Annexure 7

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, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Companies 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	03.06.2020
7.	Ramamoorthy Ramachandran	07049995	23.01.2023

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 my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bhatt & Associates Company Secretaries LLP

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639E000798505

Place: Mumbai
Date: 14.08.2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economy Overview

In 2022, the global economy faced a series of turbulent challenges. High inflation rates, the most significant in several decades, led to tightened financial conditions in most regions. Additionally, Russia's invasion of Ukraine had a lasting impact on economic activity. The rapid spread of COVID-19 in China also hampered growth during the year. However, the recent reopening of economies has paved the way for a rapid recovery.

Global governing bodies have undertaken various initiatives to mitigate existing economic risks. Monetary policies are anticipated to focus on restoring price stability, while fiscal policies aim to alleviate cost pressures while maintaining a suitably tight stance. In addition, structural reforms can play a crucial role in lowering inflation by enhancing productivity and addressing supply-side constraints. These collective measures are expected to support economic stability and reduce the impact of prevailing risks.

As per the latest International Monetary Fund (IMF) estimates published in January 23, the global economy is projected to grow at 2.9% in 2023 (vs estimated 3.4% in 2022) and 3.1 % in 2024. In 2022, Middle East and Central Asia have been the highest contributor to the global real GDP, while Emerging and Developing Asia are expected to be the highest contributors in 2024. Euro area is estimated to grow at 1.6% in 2024, whereas United States and Latin America are expected to grow at 1.0% and 2.1% respectively in 2024.

Indian Economy Overview

The Indian economy has staged a full recovery, ahead of many nations and has positioned itself to ascend to the pre-pandemic growth path in the FY 22-23. However, India must also cope with the challenge of controlling inflation. Fortunately, actions taken by the government and RBI along with decline in global commodity prices has led retail inflation levels reaching to 5.7% in December 2022 and 5.66% in March 2023, which are within the RBI upper tolerance target of 6%.

As per IMF, India's real GDP grew at 6.8% in 2022 (estimates) and expected to grow at 5.9% in 2023 and 6.3% in 2024, with resilient domestic demand despite external headwinds. As per CEIC, India's per capita GDP reached USD 2,301 in March'22, an all-time high resulting in a significant increase in demand driven by consumption. Industrial production also increased supported by persistent demand conditions. For the first half of FY23, the Industrial Sector's overall Gross Value Added (GVA) increased by 3.7%, above the 2.8% average growth seen in the first half of the previous decade.

In 2023, nearly 15% of the world's growth is forecasted to come from India. These growth projections are partially based on the economy's resilience, which can be observed in how quickly private consumption rebounded, while the government's capital expenditure, which surged by 63.4% in the first eight months of FY23 was also a major contributor. India will also be able to maintain a positive growth-interest rate differential owing to the government's policy of capital expenditure led growth, which will result in a sustainable debt to GDP over the long term.

To connect India to international supply chains, the Production Linked Incentive (PLI) programs were created with an expected investment of 4 lakh crore during the FY 2022-27. As per the Indian Brand Equity Foundation (IBEF) In F.Y. 2022, investments under PLI programs totaled INR 47,500 Crs, which reached 106% of the year's set objective. Due to PLI initiatives, production/sales of 3.85 lakh crore and the creation of 3.0 lakh jobs have been registered. The Indian economy has also begun to prosper from more formalization, greater financial inclusion, and economic possibilities brought forth by technologically driven economic reforms.

Global staffing

Global revenue in the staffing industry grew by 4% last year to USD 648 billion, slowing from the fast-paced growth of 23% in 2021. As per the Staffing Industry Analysts' "Global Staffing Market Estimates & Forecasts May 2023" report, the growth is expected to slow further this year to 2% before picking up speed again in 2024.

Of the global staffing revenue in 2022, three countries the US, Japan and UK generated 55% of the revenue. US was the largest contributor, representing 34%, with Japan representing 13% and the UK representing 8%. Another 12 countries have staffing revenue of at least USD 6 billion.

Looking ahead in 2023, Asia Pacific staffing revenue is expected to grow by 9% year over year, and Middle East and Africa revenue is expected to increase by 3% in 2023. In the US, staffing revenue is expected to fall 3% this year, while Canadian staffing revenue is expected to rise by 2%. Overall, in America, revenue is forecast to decline by 3% year over year. In Europe, the staffing industry is expected to see revenue grow by just 1%, although performance varies by country. Hungary is expected to see revenue grow by 10%, but Slovenia is expected to see revenue decline by 9%.

The gross domestic product (GDP) and staffing/recruiting have a strong relationship. The employment market grows in line with GDP growth. The increase in foreign-born workers, rising staffing index, use of VMS and MSO, new business environment, high demand for experienced

and qualified artisans, and stimulating job possibilities and hires are all factors driving the market. However, the market's expansion will be constrained by a declining labor force participation rate, an aging workforce, and a decreasing ratio of unemployed people to available jobs. Companies are recommended to invest in solutions that allow them to scale up a business without extending the staff and automate all time-consuming tasks if they want to increase their total competitive power. Generative AI (GAI) — i.e., tools like ChatGPT.

Recruitment Trends evolving in 2023:

85% of the Recruiters believe that remote work will become the new norm. Gig work has become a prominent topic in the professional landscape. With its rising popularity, individuals are increasingly inclined towards engaging in short-term work commitments involving multiple clients.

These arrangements offer flexibility in terms of time management and quicker earnings. Consequently, this trend has brought about significant changes in how companies approach recruitment and the type of tasks suitable for project-based freelancers.

Indian Staffing

The Indian staffing market is currently a USD 10 billion industry, growing at 28% YoY. It is poised to become one of the largest by 2030. Economic volatility is a reality nowadays, and businesses must be more adaptable to market shifts. Given the size of the labor pool, India's staffing industry is already huge and primed for fast expansion.

According to Moorthy K Uppaluri, who is the CEO of Randstad India, the Indian staffing industry would be the largest in the world in the coming years. According to industry forecasts, temporary labor will account for 10% of India's official sector employment by 2025, argues Mr. Uppaluri.

In the financial year 2022-23, flexi staffing in India experienced a sizeable 14% growth, with the addition of 170,000 new flexi workers. This brought the total flexi workforce to 1.44 million, rising from 1.26 million recorded in the previous year. However, the rate of annual growth in flexi workforce slowed compared to the 220,000 flexi workers added in FY 2022. This growth includes both general flexi staffing and IT flexi staffing sectors, as stated by the Indian Staffing Federation (ISF).

Within the overall flexi workforce of 1.44 million, the general flexi staffing sector saw a robust 15.3% expansion, resulting in the addition of 140,000 new jobs. Conversely, the IT flexi staffing segment experienced a fall of 7.7% in new flexi jobs compared to the prior fiscal year. Looking specifically at the fourth quarter of FY 2023

(January-March 2023), data indicates a 0.4% growth in flexi jobs. The demand for employment in general flexi staffing emerged from various sectors including FMCG, E-commerce, manufacturing, and healthcare. On the other hand, the IT flexi staffing sector witnessed a 6% decline in the same quarter.

In terms of gender participation, women's involvement in the flexi workforce remained consistent, accounting for 24% in the FY 2023, a rise from the 21% representation in the broader industry.

Gig Workers

Global contract or temporary staffing services encompass the process of recruiting employees or skilled individuals for a limited duration or specific project within an organization. These arrangements can include fixed-term contracts designed for short-term projects, task-specific roles, as well as seasonal or casual positions such as day labor and festive season employment. Contract or temporary staffing services encompass both fixed-term contracts (FTCs) and casual work.

The Contract or Temporary Staffing Market was valued at USD 90 Billion in 2021. The market is poised to grow to USD 130.20 Billion in 2030, at a CAGR of 9.06%.

Employers will hire more contract workers as a hedge against uncertainty. Stephen Lochhead, SVP of Global Talent Acquisition at Expedia says "As uncertainty grows, businesses need to be nimbler and more responsive to sudden shifts in the market. To do so, employers may increasingly rely on contingent talent, like contractors or gig workers, whose labor can be scaled up and down on demand."

In the US, for instance, LinkedIn job posts for contract positions are growing much faster than job posts for full-time employees, which are relatively stable. The share of U.S. paid job posts for contractor roles increased by +26% YoY, while full time roles only grew by 6% Y-o-Y.

The gig economy in India is expected to grow at a significant rate, and the statistics show that it has a promising future. According to a report by the International Labour Organization (ILO), India is the second-largest gig economy in the world, with around 56% of all gig workers in the Asia-Pacific region working in India. According to a report by Nasscom, the gig economy in India is expected to grow at a CAGR of 17% with 23.5 million gig workers and the growth projection of reaching a market size of USD 455 billion by 2023 are impressive figures. The gig economy is predicted to be a significant building block in achieving India's aim to become a USD 5 trillion economy by 2025, the reports indicated. This would assist in bridging the income and unemployment gap.

The study conducted by Boston Consultancy Group (BCG) estimates that the Indian gig economy has the potential to create up to 90 million jobs in the non-farm sectors, which is about 30% of India's workforce. The growth of the gig economy is expected to lead to efficiency and productivity gains, which can contribute up to 1.25% to India's GDP. This indicates that the gig economy can have a significant impact on India's economy by providing employment opportunities and boosting economic growth. The gig economy has already started to make an impact in various sectors, and with further growth and development, it has the potential to create a substantial positive impact on Indian Economy's diverse range of sectors and industries.

Drivers of the gig economy in India

The drivers of the gig economy are factors that contribute to the growth and development of non-traditional work arrangements, where individuals work as independent contractors or freelancers, rather than as employees of a single company. The gig economy in India is fueled by various factors some are stated below:

Young demographic dividend: India boasts a substantial and increasing population of young, educated, and tech-savvy individuals. Many millennials highly value flexibility and a balanced work-life dynamic, making the gig economy an attractive avenue for them.

Technology: The advent of smartphones, high-speed internet, digital platforms and technologies enable work to be performed remotely and independently has been a key driver of the gig economy. These platforms provide gig workers with a way to connect with customers and clients and offer their services on a flexible basis.

Rising levels of education and skills: With a growing number of well-educated people in India possessing specialized skills, there is a rising interest in leveraging these talents through gig work opportunities.

Urbanization and rising consumer demand: Rapid urbanization in India is making middle class continue to grow, has created a large demand for gig workers in various sectors such as transportation, delivery, home services, and e-commerce.

Cost-effective labor: For businesses, gig workers can be a cost-effective alternative to traditional employees, as they can be hired on a project-by-project basis, without the need to provide benefits or other forms of compensation.

Flexible Work Arrangements: The youth prefer flexible work hours especially post Covid. Gig workers have the ability to set their own schedules and choose the types of projects they want to work on, which can be particularly appealing to those who value work-life balance over traditional employment arrangements.

Entrepreneurship: The gig economy has also given rise to a new breed of entrepreneurs who use digital platforms to start their own businesses and offer their services to customers around the world.

Supportive government policies: The Indian government has been supportive of the gig economy and has taken several initiatives to promote it, such as the Digital India program, Start-up India, and Skill India.

Challenges faced by gig workers

Lack of job security, income instability, lack of formalization, lack of legal and social security, unequal bargaining power, and uncertain employment status for workers are significant challenges in the gig and platform sectors. The uncertainty associated with regularity in the available work and income may lead to increased stress and pressure for workers. Platform workers are termed as "independent contractors". As a result, platform workers cannot access many of the workplace protections and entitlements

Benefits/ Advantages

- **Cost-Effective HR**

In scenarios where specific skill sets are required for short-term projects, setting up an entire in-house team demands significant time, monetary investment, and resources. A practical alternative is to engage Manpower Outsourcing services, allowing you to efficiently accomplish your project while saving substantial costs. Many businesses also opt to outsource their HR services, enabling them to integrate a skilled and professional system within their company without the substantial expenditure of establishing an internal HR team.

- **Enables business to adjust more easily and quickly to workload fluctuations**

Businesses often encounter fluctuations in their workload demand. During such periods, temporary help agencies can swiftly provide well-qualified staff to meet these requirements. Whether it's project-driven, seasonal, or peak demand, or addressing employee shortages, these agencies offer a prompt solution.

- **Maintains staffing flexibility**

In the context of the prevalent and enduring trend of flexible work arrangements, staying attuned to the preferences of the modern workforce is crucial. Embracing temporary staffing is one avenue through which businesses can extend flexibility while simultaneously catering to their operational demands.

- **Let's business evaluate a worker without commitment**

Temporary staffing arrangements offer the advantage of evaluating a worker's performance without a long-term commitment. This approach permits you to engage a temporary worker for a specific short-term role, or even extend a full-time position offer to a candidate whose abilities align with your business needs. This serves as a prudent and cost-effective strategy to assess new hires before making permanent commitments.

- **Can save time and money**

Engaging temporary workers is frequently more economical than hiring permanent employees with benefits. In the short run, opting for temporary staff generally proves to be more financially efficient. By partnering with an agency, you delegate the role of being the employer to the temporary worker. The agency takes on responsibilities such as recruitment, screening, testing, hiring, managing payroll, fulfilling payroll taxes, managing unemployment and workers' compensation insurance, and administering any desired employee benefits.

- **Specialized Project Hiring**

In certain projects, there arises a need for individuals with specific and specialized skills for relatively short durations. After the successful completion of their designated tasks, their services might no longer be necessary. Opting for such specialized hires enables the Company to execute tasks with remarkable efficiency and precision.

Challenges

1. Recruitment Has Become More Digital

In the evolving landscape of staffing firms, digitization has taken center stage, redefining traditional practices. While the essence of successful recruitment remains rooted in building relationships, adapting these connections to an online sphere poses challenges. The tools of choice now include LinkedIn, virtual conferences, webinars, and online advertising, which necessitate careful planning. However, this digital shift offers a unique advantage, enabling staffing firms to simultaneously engage with multiple potential clients. The transition to online relationship-building demands strategic adaptation but also enhances the scope for forging new connections.

2. Dearth of quality talent

Many bosses who hire people (hiring managers) are

having a tough time finding really good candidates. This is a common problem because there aren't enough skilled people for all the jobs that are needed. Sometimes, companies don't even know exactly what kind of person they want, and they usually think only the people looking for jobs online are available. But that's not true. The best workers often find jobs through their networks and recommendations, not just by applying online. Another problem is that companies often start looking for someone only when a job is empty. It would be better if they planned ahead and looked for great people even before the job opens up.

3. Expectation gap between recruiters and hiring managers:

This is a big reason why it takes a long time to hire people in many companies nowadays. About half of the people who find candidates (recruiters) say the bosses who want to hire (hiring managers) should explain better what they want in a person and give clear examples. But, 77% of hiring managers think recruiters don't choose the right candidates. Also, recruiters think bosses want them to find people really quickly, while bosses want recruiters to have a list of potential hires ready so they don't have to start searching from the beginning each time. If everyone plans together and talks about what skills are needed and how many people are needed, it will help reduce these problems

Demographic trend

Demographic trends mainly affect the staffing market that increases as the labor force supply increases. A shift in demographic transition can become a circumstance in dampening economic expansion and GDP increase, which in turn would cause a deterioration in the recruitment market.

TECHNICAL STAFFING

India has a comprehensive understanding of the current industry demands and the high expectations that companies have for their workforce. To cater to these needs, the country offers staff on deputation to corporations, industrial segments, and engineering companies on a project-by-project or short-term basis. Businesses of all sizes, from multinational conglomerates to small and medium-sized enterprises, have embraced the advantages of outsourcing. By outsourcing support services, companies can focus on their core business activities and save time and energy to meet the ever-increasing business demands. This approach also helps them reduce costs and enhance employee productivity, ensuring they remain competitive.

Aarvi, a prominent outsourcing company, has an extensive database of over 800,000 trained and experienced engineers in various sectors, such as project management, construction, planning, safety, quality assurance/quality control, procurement, inspection, testing, and commissioning. As a result, Aarvi's outsourcing services have gained significant traction. Our temporary workforce solutions simplify recruitment and replacements, making the process more efficient. Flexi-outsourcing is another beneficial aspect, benefiting both employees and employers. It allows organizations to hire staff on an as-needed basis, rather than committing to permanent positions.

Looking ahead, Aarvi is poised for further growth due to the changing dynamics of the industry and the increasing adoption of flexi-outsourcing both within India and overseas. This positions us as a key player in meeting the evolving demands of the market.

OPERATION AND MAINTENANCE SERVICE

Industrial Operation and Maintenance (O&M) services have emerged as non-core activities for power, steel, and cement plants. In pursuit of enhanced equipment uptime, reduced maintenance costs, and improved operational excellence, companies are increasingly opting to outsource their O&M activities. With a simultaneous surge in infrastructure growth and capacity expansion of plants, the O&M industry is expected to reap substantial benefits. The company, having garnered profound insight into the distinctive needs and challenges of numerous industries, has become the preferred partner for O&M services among its clientele. Prominent organizations such as HPCL, GSPC, Cairn, and GSPL, to name a few, rely on the company's O&M services for their operational efficiency.

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 35 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 O&Ms, 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, ports, terminals, telecom, fertilizers, cement, automation, automobile, aviation, metro & monorail, railway, metals, minerals and so on. Throughout the year, the company successfully welcomed and integrated over 50 new clients into its portfolio.

The company has added O&M services to its service offering. O&M activities currently account for 17% of our revenue. Aarvi Encon has become the preferred partner for O&M services during the previous five years.

The FY 2022-23 marked the beginning of Aarvi's Green Transformation, whereby our manpower outsourcing services in the renewable sector accounted for an impressive 8% of the total revenue, underscoring the positive impact of our initiatives on the company's overall performance and our pivotal role in supporting the growth of renewable energies.

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, Saudi Arabia and UK, to prestigious clients such as Larsen & Turbo Limited, Tecimont, 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 monitor and evaluate 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.

Results of our operations:

The function-wise classification of the Consolidated Statement of Profit and Loss is as follows:

(Rs. In Crore)

Particulars	2023	%	2022	%
Revenue from Operations	436.52	100	288.54	100
Employee Benefit Expenses	291.61	66.8	216.66	75.1
Finance Cost	1.76	0.4	0.73	0.3
Depreciation and amortisation expense	1.23	0.3	1.02	0.4
Other Expenses	126.71	29.0	59.16	20.5
Total Expenditure	421.3	96.5	277.57	96.2
EBITDA	18.66	4.3	13.91	4.8
Profit before tax	15.68	3.6	12.15	4.2
Current Tax	1.11	0.3	0.11	0.0
Profit for the year	14.51	3.3	12.06	4.2

Consolidated Performance

- Revenue from operations at Rs. 436.52 Crore as against Rs. 288.55 Crore of previous year shows the increase in revenue by 51% than the previous year.
- The Net profit after tax for the year grew by 20% to Rs. 14.51 Crore from Rs. 12.07 Crore.
- The Working capital (Net current assets) increased by Rs. 11.90 Crore i.e. from Rs. 51.89 Crore to Rs. 63.80 Crore.

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

Particulars	2022-23	2021-22	Y-o-Y change (%)	Reasons for the Increase/ Decrease.
Debtors turnover (days)	79.46	102.48	(22.46)	The Company's robust and efficient recovery process has led to a reduction in debtor turnover days.
Interest Coverage Ratio	10.40	17.61	(40.94)	Interest coverage ratio reduced due to increase in financial cost
Net capital turnover ratio	6.84	5.56	23.02	Net capital turnover ratio increased in line with the increase in the Revenue from operations of the Company.
Current Ratio	2.29	1.99	15.08	The Current Ratio has risen due to the Company's augmentation of Current Assets and reduction in Current Liabilities.
Debt : Equity Ratio	0.03	0.07	(57.14)	Debt Equity Ratio decreased due to the decrease in the debt levels of the Company.
Operating profit margin (%)	4.19	4.46	(6.05)	The Company's Operating Profit Margin experienced a slight reduction due to elevated Employee and Finance Costs.
Net profit margin (%)	3.32	4.18	(20.57)	The Company's Net Profit Margin saw a slight decrease attributed to the rise in Employee and Finance Costs.
Return on Net worth/ Return on Capital Employed (%)	16.36	12.70	28.82	The rise in the Company's EBITDA has resulted in a parallel increase in Return on Net Worth/ Return on Capital Employed.
Return on investment (%)	14.84	12.02	23.46	The increase in the Company's Net Profit has correspondingly elevated the Return on Investment.

Standalone Performance

- Revenue from operations at Rs. 382.70 Crore as against Rs. 274.51 Crore of previous year which is upward increase by 39 % year on year, reflecting good results in key markets and segments.
- The Net profit after tax for the year grew by 15% to Rs. 14.12 Crore from Rs. 12.31 Crore.
- The Working capital (Net current assets) increased by Rs. 6.56 Crore i.e. from Rs. 40.20 Crore to Rs. 46.76 Crore.

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

PARTICULARS	2022-23	2021-22	Y-o-Y change (%)	Reasons for the Increase/ Decrease.
Debtors turnover (days)	75.09	92.06	(18.43)	The Company's robust and efficient recovery process has led to a reduction in debtor turnover days.
Interest Coverage Ratio	9.70	17.95	(45.96)	Interest coverage ratio reduced due to increase in financial cost
Net capital turnover ratio	8.19	6.83	19.91	Net capital turnover ratio increased in line with the increase in the Revenue from operations of the Company.
Current Ratio	2.03	1.85	9.73	The Current Ratio has risen due to the Company's augmentation of Current Assets and reduction in Current Liabilities.
Debt : Equity Ratio	0.04	0.08	(50)	Debt Equity Ratio decreased due to the decrease in the debt levels of the Company.
Operating profit margin (%)	4.46	4.78	(6.69)	The Company's Operating Profit Margin experienced a slight reduction due to elevated Employee and Finance Costs.
Net profit margin (%)	3.69	4.48	(17.73)	The Company's Net Profit Margin saw a slight decrease attributed to the rise in Employee and Finance Costs.
Return on Net worth/ Return on Capital Employed (%)	17.49	14.82	18.02	The rise in the Company's EBITDA has resulted in a parallel increase in Return on Net Worth/ Return on Capital Employed.
Return on investment (%)	14.53	13.95	4.16	The increase in the Company's Net Profit has correspondingly elevated the Return on Investment.

Material Developments in Human Resources / Industrial Relations Front

The Company believes that Human Resources are its key assets. The total number of employees and consultant of the Company is 5427. 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 organization. The Company continues to maintain its record of industrial harmony.

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 propriety, 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 imbibe 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 satisfies 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 India is committed in development of neighboring society and country. We are engaged into Corporate Philanthropic activities towards various charitable institutions for welfare of people in need. We have, through various clubs / Trusts, 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 7 (Seven) Directors comprising of 1 (One) Managing Director (Executive cum Chairman), 1 (One) Whole Time Director (Executive) and 5 (Five) Non-Executive Independent Directors including 2 (Two) Independent Woman Director. All of the 5 (Five) 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.

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	5	Yes	1	1	0	0	-	-
Mr. Jaydev Sanghavi	Promoter, Executive	6	Yes	1	3	2	0	-	-
Mr. Devendra Shrimanker	Independent, Non - Executive	6	Yes	3	2	2	2	1.Citadel Realty And Developers Limited 2.Pentokey Organy (India) Limited	Independent, Non – Executive Independent, Non – Executive
Mrs. Sonal Doshi	Independent, Non - Executive	6	Yes	1	1	2	1	-	-
Mrs. Padma Devarajan	Independent, Non – Executive	5	Yes	1	0	1	0	-	-
Mr. Sharad Sanghi	Independent, Non - Executive	1	No	1	7	0	0	-	-
Mr. Ramamoorthy Ramachandran	Independent, Non – Executive	2	NA*	1	0	0	0	-	-

^ Excluding Directorship on the Board Foreign Companies, and Alternate Directorship, Companies which are struck 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.

* Mr. Ramamoorthy Ramachandran was appointed as a member to the Board on 23.01.2023, hence it was not applicable to him to attend the previous AGM of the Company.

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

The Board met Six (6) times during the year on April 26, 2022, May 26, 2022, August 12, 2022, November 14, 2022, January 23, 2023 and February 14, 2023. 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, 2023 are given herein below:

Note:

1. The Meetings of the Company were conducted through Video Conferencing / Other Audio Visual

Means, except the meeting held on 14.11.2022 which was held through Physical Mode.

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, 2023: 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 29, 2023. 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	Mr. Ramamoorthy Ramachandran
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 have 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:

 - Present  - Absent

Name of the Member	Category	No. of Meetings Entitled to Attend	Audit Committee Meetings (2022-2023)					No. of Meetings Attended
			26-Apr-22	26-May-22	12-Aug-22	14-Nov-22	14-Feb-23	
Mr. Devendra Shrimanker	Chairman, Non- Executive Independent Director	5						5
Mr. Jaydev Sanghavi	Member, Executive Director & CFO	5						5
Ms. Sonal Doshi	Member, Non-Executive Independent Director	5						5
Ms. Padma Devarajan	Member, Non-Executive Independent Director	5						4
Mr. Ramamoorthy Ramachandran*	Member, Non-Executive Independent Director	0	NA	NA	NA	NA	NA	NA

* Mr. Ramamoorthy Ramachandran appointed in Audit Committee w.e.f. May 16, 2023.

(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 no changes in the structure of the Committee 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 and auditors report 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
- 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. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- xxi. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee;
- xxii. Monitoring the end use of funds raised through public offers and related matters;
- xxiii. 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;

- xxiv. 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.
- xxv. 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 1 (one) time during the year on June 3, 2022. 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 (2022-2023)	No. of Meetings Entitled to Attend	No. of Meetings Attended
		26-May-22		
Mr. Devendra J. Shrimanker	Chairman, Non- Executive Independent Director	Yes	1	1
Ms. Padma V. Devarajan	Member, Non- Executive Independent Director	No	1	0
Ms. Sonal N. Doshi	Member Independent, Non – Executive Independent Director	Yes	1	1
*Mr. Sharad S. Sanghi	Member Independent, Non – Executive Independent Director	No	0	0

* Mr. Sharad S. Sanghi, appointed as a member of Nomination and Remuneration Committee on April 26, 2022.

(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. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The

person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
 - iv. Devising a policy on diversity of Board of Directors;
 - v. 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;
 - vi. 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;
 - vii. Recommend to the board, all remuneration, in whatever form, payable to senior management;
 - viii. 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.
 - ix. To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2022.
 - x. To administer the employee stock option scheme/ plan approved by the Board and shareholders of the Company in accordance with the terms of

such scheme/plan ("ESOP Scheme") including the following:

- a. Determining the eligibility of employees to participate under the ESOP Scheme;
- b. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
- c. Date of grant;
- d. Determining the exercise price of the option under the ESOP Scheme;
- e. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
- f. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- g. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
- h. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- i. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
- j. The grant, vest and exercise of option in case of employees who are on long leave;
- k. Allow exercise of unvested options on such terms and conditions as it may deem fit;
- l. The procedure for cashless exercise of options;
- m. Forfeiture/ cancellation of options granted;
- n. Allotment of share upon exercise of options;
- o. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
- p. the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;

- q. for this purpose, follow global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
- r. the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- xi. To construe and interpret the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- xii. Such other matters required from time to time by any statutory, contractual or other regulatory requirements 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, 2023 are as under:

(Rupees in Lakhs)

Directors	Sitting Fees	Salary & Allowances	Perquisites	Commission	Share Holding as on 31-03-2023 (in Nos.)
Mr. Virendra D. Sanghavi	-	1,18,80,000	-	49,20,000	75,95,000 (51.37%)
Mr. Jaydev V. Sanghavi	-	92,40,000	-	75,60,000	21,82,500 (14.76%)
Mr. Devendra J. Shrimanker	2,07,500	-	-	-	-
Mrs. Sonal N. Doshi	2,15,000	-	-	-	-
Dr. (Mrs.) Padma V. Devarajan	1,60,000	-	-	-	-
Mr. Sharad S. Sanghi	35,000	-	-	-	-
Mr. Ramamoorthy Ramachandran	40,000	-	-	-	-

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

(a) Composition, Name of the Members and Chairman

The Committee met once during the year on March 29, 2023. 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:

- To consider and resolve the grievances of security holders of the Company;
- To approve Transfer / Transmission / Dematerialisation / Rematerialisation of Equity Shares of the Company;
- To approve issue of new / duplicate / consolidated / split share certificate(s);
- 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;
- 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
- To do all other acts, deeds and things or otherwise deal with all matters in relation to the Shareholders and other Stakeholders;
- Review of measures taken for effective exercise of voting rights by shareholders;
- 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;
- 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;

- 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.

D. FINANCE AND MANAGEMENT COMMITTEE

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

The Committee met six times during the year. All the members were present at the meeting.

The composition of the Finance and Management Committee consists of Two Directors Namely Mr. Virendra D. Sanghavi, Chairperson – Managing Director and Mr. Jaydev V. Sanghavi, Member (Executive Director and CFO).

(b) **Terms of reference**

- To open and close any bank accounts of the Company, to decide any change in the authorised signatories for operation of such accounts, availing corporate internet banking facility in the name of the Company with any bank in India and to sign, execute and submit any documents as may be considered necessary in this regard.
- Provide Financial or Performance Guarantee, issuing letters of comfort within the limit of Rs. 27.5 Crores as sanctioned by Yes Bank Limited by their sanction letter dated July 19, 2019, Rs. 15 Crore as sanctioned by HSBC Bank dated December 24, 2019, and Rs. 5 Crores as sanctioned by HDFC Bank dated September 20, 2020, N.A. by their sanction letter dated January 22, 2020 and provide earnest money deposit (EMD) of the amount as mutually decided between the Company and clients for day to day workings of the Company and to authorize Companies representatives to sign, execute, certify and submit the application, undertakings, deeds or any other documents as may be considered necessary in this regard.
- Provide Individual Guarantees in the capacity of Director/issuing letters of comfort within the limit sanctioned by the lenders as under;

Sr. No.	Name of the Lender	Amount	Purpose
1	Yes Bank Limited	Cash Credit Limit of Rs. 27.5 Crores.	Working Capital
2	HDFC	Cash Credit Limit of Rs. 5 Crores.	Working Capital/Demand Loan
3	HSBC BANK	Cash Credit Limit of Rs. 15 Cr.	Working Capital/Demand Loan

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

- Authorize Company representatives to make application, declaration, submit related documents to government authorities, regulatory authorities for making necessary changes as required by the Company in the legal documents, certificates, license of the Company.
- To grant any authorities for signing of and executing any applications, agreements, letter of authorities, power of attorneys, deeds or other documents etc. for and on behalf of the Company
- To grant any authorities in favour of any officials or other authorised persons to represent and appear for and on behalf of the Company before any Courts, Government or non-Government authorities, bodies or any other officers empowered by the law in any matter.
- Review the Company's financial plans, risk assessment and minimization procedures, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.
- Review banking arrangements and cash management.
- Review the Companies Management, Organizational Structure and periodically or an event based, authorize the Companies representatives to do all such acts, deeds and things as may be considered necessary in relation to the routine transactions on behalf of the Company and recommend changes if any in the organization structure of the Company.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

- To invest by way of Fixed Deposit/ Corporate Deposit upto the limit of Rs. 10 Crore.

- To provide loan/ make investment in the Subsidiary Company/ Joint Venture Company of Aarvi Encon Limited upto the Limit as approved by Audit Committee by way of Omnibus Approval.

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

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

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 30– 2022	0	0	0	0
Sep 30– 2022	0	0	0	0
Dec 31– 2022	0	0	0	0
Mar 31- 2023	0	0	0	0
Total	0	0	0	0

The Committee has not received any shareholders complaint during the FY 2022-23.

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 (SCORES), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

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

4. REMUNERATION

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 stated concerned person for the purposes such as Marriage, Education, Housing Loan or such other purposes, in accordance with the policies implemented by the Company from time to time.

5. GENERAL BODY MEETINGS

Annual General Meeting

A (i). The details of Annual General Meetings during the last three years are given below:

Financial Year	Meeting details	Date and Time of the Meeting	Venue
2021-22	34 th Annual General Meeting	July 29, 2022 at 11.00 A.M	Video-Conferencing/ Other Audio Visual Means
2020-21	33 rd Annual General Meeting	July 29, 2021 at 11.00 A.M	Video-Conferencing/ Other Audio Visual Means
2019-20	32 nd Annual General Meeting	September 22, 2020 at 11.00 A.M	Video-Conferencing/ Other Audio Visual Means

A (ii) The details of Special Resolutions passed and Resolutions requiring requisite majority in the previous Annual General Meetings held in last three years are given below:

Meeting details	Date and Time of the Meeting	Special Resolutions passed at the Meeting
34 th Annual General Meeting	July 29, 2022 at 11.00 A.M	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Virendra D. Sanghavi (Din: 00759176) as a Managing Director of the Company. 2. Re-appointment of Mr. Devendra J. Shrimanker (DIN: 00385083) as a Non-Executive Independent Director of the Company 3. Re-appointment of Ms. Sonal N. Doshi (DIN: 06672497) as a Non-Executive Independent Director of the Company 4. Re-appointment of Mr. Jaydev V. Sanghavi (DIN: 00759042), Executive Director & CFO of the Company and fixation of remuneration thereof. 5. Approval of Aarvi Employee Stock Option Plan 2022 6. Approval for Issue and Allotment of equity shares to employees of holding (if any, in future) and subsidiary Company(ies) under the AARVI ESOP 2022
33 rd Annual General Meeting	July 29, 2021 at 11.00 A.M	<ol style="list-style-type: none"> 1. 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. 2. 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. 3. To Approve Remuneration payable to Executive Directors under Reg. 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
32 nd Annual General Meeting	September 22, 2020 at 11.00 A.M	<ol style="list-style-type: none"> 4. To Approve Remuneration of Mr. Virendra D. Sanghavi (Din: 00759176), Managing Director of the Company for Financial Year (FY) 2020-21 and 2021-22.

B. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the year 2022 - 23.

C. Postal Ballot

During the financial year 2022-23, the following notices of Postal Ballots was issued:-

1. Postal Ballot Notice January 23, 2023 to seek consent of the Members for the appointment of Mr. Ramamoorthy Ramachandran (DIN:- 07049995) as Non-Executive Independent Director of the Company

In compliance with provisions of Section 108, Section 110 and other applicable provisions of the Act read

with the Management Rules, MCA Circulars and Regulation 44 of the Listing Regulations, the Company had provided remote e-voting facility to all the Members of the Company. The Company engaged the services of M/s. Bigshare Services Private Limited for availing services of remote e-voting for conducting the Postal Ballot to enable the Members to cast their votes electronically and Mr. Aashish K. Bhatt, Designated Partner of M/s. Bhatt & Associates, Company Secretaries LLP, Practicing Company Secretaries acted as a Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

Voting Period of Postal Ballot are as follows:

Date of Notice of Postal Ballot Meeting	Voting period	Cut- off date	Date of Issuance of Scrutinizer's Report to the company
23.01.2023	Commenced on Friday, February 3, 2023 at 9.00 a.m. and ended at 5.00 p.m. on Saturday, March 4, 2023	Friday, January 27, 2023	Monday, March 06, 2023

The summary of voting result is given below:

Particulars	% of total votes
Votes in favour of the Resolution	98.56%
Votes against the Resolution	1.44%

The said resolution was passed with requisite majority on March 06, 2023. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Company.

6. MEANS OF COMMUNICATION:

Quarterly/ Half yearly/Annual Results: During the year 2022-23, 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) and submits the same to stock exchange. 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 under the name of '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.

Official media releases are sent to the Stock Exchange before their release to the media for wider dissemination. Presentations made to media, analysts, institutional investors, etc., if any, are posted on the Company's website.

The publication as required under Regulation 47 for the FY 2022-23 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://neaps.nseindia.com/NEWLISTINGCORP/>.

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.

7. GENERAL SHAREHOLDER INFORMATION

35th (Thirty Fifth) Annual General Meeting

Day, Date and Time:

Saturday, September 23, 2023 at 11:00 A.M.

Venue: Meeting will be held through VC/OAVM

Financial Year: 1st April, 2022 to 31st March, 2023

Payment of Dividend: Before September 28, 2023

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 2022-23.

Stock code

National Stock Exchange of India Limited : AARVI

ISIN for equity shares : INE754X01016

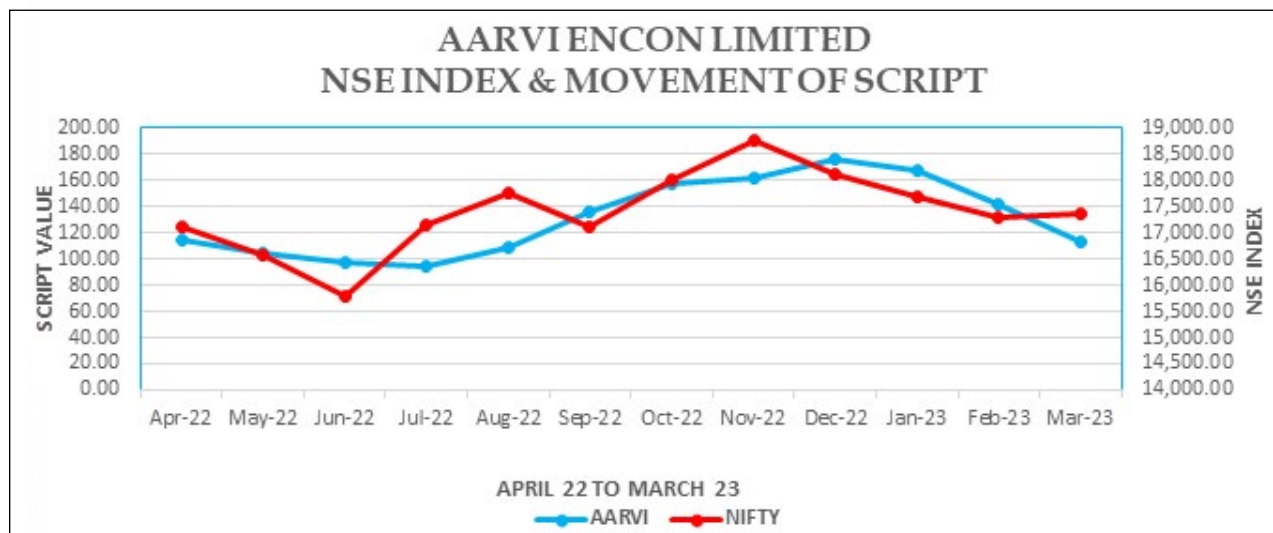
Market price data- high, low during each month in last Financial Year

High, Low during each month and trading volumes of the Company's Equity Shares during the Financial

Year 2022-23 at NSE are given below:

2022-23	National Stock Exchange of India Limited (NSE)		
	Month's High Price (Rs.)	Month's Low Price (Rs.)	No. of Shares traded
April 2022	127.75	108	6,34,113
May 2022	116.75	90.70	2,04,945
June 2022	108.50	84.60	1,53,640
July 2022	106.75	86.60	3,74,131
August 2022	123.70	97.1	7,51,726
September 2022	178.70	106	27,37,777
October 2022	175.50	141.60	7,45,882
November 2022	203	146.60	9,44,824
December 2022	197.85	137.55	10,74,218
January 2023	184.80	159.00	4,09,087
February 2023	169.90	108.40	5,94,608
March 2023	121.90	100.50	2,80,688

Performance in comparison to broad-based indices such as NSE NIFTY with AARVI Script.



Registrar & Share Transfer Agent:

Bigshare Services Pvt. Ltd.
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093
Board No: 022 – 62638200
Email: charmi@bigshareonline.com | 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.

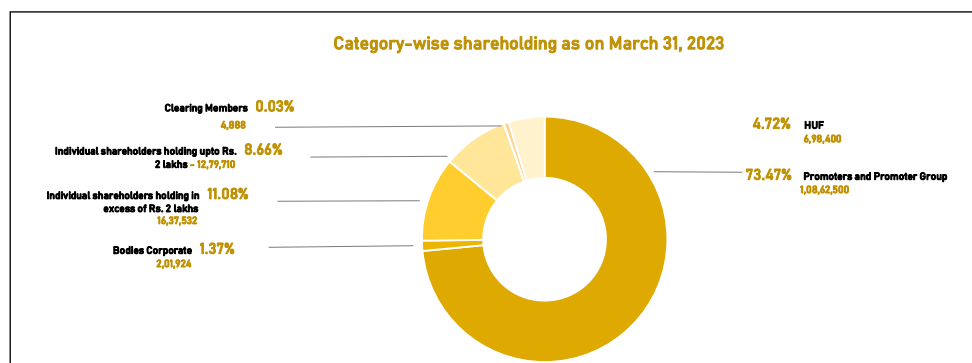
Distribution of Shareholding

Statement showing Shareholding Pattern as on 31st March, 2023.

Category of Shareholders	Number of shares	% of Shareholding
Shareholding of Promoter and Promoter Group	1,08,62,500	73.47
Mutual Funds	0	0.00
Central Government/state Government(s)	0	0.00
Financial Institutions / Banks	0	0.00
Foreign Institutional Investors (Including FPI)	0	0.00
NBFC Registered with RBI	0	0.00
Bodies Corporate	2,01,924	1.37
Individual shareholders holding nominal share capital up to Rs. 2 lakhs	16,37,532	11.08
Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	12,79,710	8.66
Clearing Members	4,888	0.03
Non Resident Indians	99,046	0.67
Foreign Companies	0	0.00
Other Directors	0	0.00
HUF	6,98,400	4.72
Trusts	0	0.00
IEPF	0	0.00
TOTAL	1,47,84,000	100.00

Distribution of Shareholding by Size as on 31st March, 2023

No. of Shares held	No. of shareholder	% to no. of shareholders	No. of shares	% to no. of shares
1 – 500	7,654	92.4508	49,68,910	3.3610
501 – 1000	242	2.9231	18,95,500	1.2821
1001 – 2000	191	2.3070	32,12,040	2.1726
2001 – 3000	50	0.6039	12,66,050	0.8564
3001 – 4000	37	0.4469	13,78,360	0.9323
4001 – 5000	17	0.2053	7,84,190	0.5304
5001 – 10,000	33	0.3986	23,60,090	1.5964
> 10,001	55	0.6643	13,19,74,860	89.2687
TOTAL	8,279	100.00	14,78,40,000	100



Dematerialization of shares as on 31st March, 2023

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	
Dematerialised form	Number	% of total
CDSL	1,28,83,321	87.14
NSDL	19,00,679	12.86
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, 2023.

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 2022 -23.

Plant Locations: Not Applicable.

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 Pvt. Ltd.

Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093
Board No.: 022 – 62638200
Email: ujata@bigshareonline.com
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 2022-23, 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 28 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://aarviencon.com/investors/policies>

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 or any other matter related to capital markets on the Company during the last three years except the following.

Qualifications for 3 years – refer audit reports/compliance reports

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.	Due to the Lock down situation and practical issues, Company delayed in publishing Outcome within 30 mins, the same is also informed to Exchange.
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.	Company has taken proper precautions and corrective measures to avoid such mistakes.
3.	Pursuant to regulation 34(1) the listed entity shall submit to stock exchange a copy of Annual Report along with notice of Annual General Meeting (AGM) not later than the day of commencement of dispatch to its shareholders.	Delay in submission of Annual Report for year ended March 31, 2019 along with notice of Annual General Meeting to stock exchange however the Company has sent the Annual Report to all the shareholders in accordance with the requirements of the Companies Act, 2013.	The requisite intimation / disclosure were made to stock exchange. NSE levied fine on the Company vide SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018, pursuant to which Company submitted its response and explained genuine reason for not submitting the same on time and accordingly requested for waiver of penalty imposed on it. Thereafter considering the response submitted by the Company, the Exchange has waived off the entire penalty imposed on the Company.
4.	Pursuant to regulation 34(2)(e) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t. Annual Report shall contain various information as prescribed.	Disclosures of all matters as required to be stated in Management Discussion and Analysis Report is made in Annual Report for the year ended March 31, 2019 except few such as Internal Control System and their adequacy, risk etc.	Company has taken proper precautions and corrective measures to avoid such mistakes.

- 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, 2023:

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).

Aarvi Encon FZE, a wholly owned Subsidiary Company continues to be a material subsidiary of the Company as it's income and net worth is more than 10% to the total income and net worth of the Company.

web link where policy on dealing with related party transactions is <https://www.aarviencon.com/policies-of-the-Company>

5. Disclosure of commodity price risks and commodity hedging activities.
The Company does not have any un-hedged exposure to commodity price risk and foreign exchange risk.
6. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the listing regulation.
7. Based on the declaration / confirmation made by the Director, the Company has obtained a Certificate from M/s. Bhatt & Associates Company Secretaries LLP, Practicing Company Secretaries

confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The copy of the same forms part of this Annual Report.

8. There have been no instances during the year where recommendations of the Committees of the Board were not accepted by the Board.
9. The total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part on consolidated basis for the Financial Year 2022-23 is Rs. 12,20,000/.(Refer Note No. 19 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 – 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, Regulations 2015 and requirements as specified in

Part E of Schedule II.

Compliance with mandatory Requirements and adoption of the non-mandatory Requirements of Corporate Governance:

During the period under review, your Company has complied with all the mandatory requirements of SEBI LODR Regulations. In terms of Corporate Governance, the Company has complied with the applicable requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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 2022-23".

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.







































17. Accounting Standards

The Company has followed Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.

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

6 (Six) Board Meetings were held during the year (FY. 2022 - 23). The details of the Board Meetings held are given below:
Pictorial:

 - Present  - Absent

Name of the Member	No. of Meetings Entitled to Attend	Board Meetings (2022-2023)						No. of Meetings Attended
		26-Apr-22	26-May-22	12-Aug-22	14-Nov-22	23-Jan-23	14-Feb-23	
Mr. Devendra Shrimanker	6							6
Mr. Jaydev Sanghavi	6							6
Ms. Sonal Doshi	6							6
Mr. Virendra Sanghavi	6							6
Ms. Padma Devarajan	6							5
Mr. Sharad Sanghi	6							1
Mr. Ramamoorthy Ramachandran	6	-	-	-	-			2

Date of Board meeting	Board Strength	No. of Director Present
26.04.2022	6	4
26.05.2022	6	5
12.08.2022	6	5
14.11.2022	6	5
23.01.2023	6	5
14.02.2023	7	6

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

5 (Five) Audit Committee Meetings were held during the year i.e. 2022-23, the details of the Audit Committee Meetings are as follows:

Date of Audit Meeting	Committee Strength	No. of Directors Present
26.04.2022	4	4
26.05.2022	4	3
12.08.2022	4	4
14.11.2022	4	4
14.02.2023	4	4

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

1 (One) Nomination and Remuneration Committee Meetings were held during the year i.e. 2022 - 23, 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
26.05.2022	3	2

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

1 (One) Corporate Social Responsibility (CSR) Committee Meetings were held during the year i.e. 2022 -23, the details of the Corporate Social Responsibility Committee Meetings are as follows:

Date of CSR Meeting	Committee Strength	No. of Directors Present
26.05.2022	4	3

* Mr. Ramamoorthy Ramachandran was appointed in CSR Committee w.e.f. May 03, 2023.

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

6 (Six) Finance and Management Committee Meetings were held during the year i.e. 2022 - 23, 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
05.04.2022	2	2
11.04.2022	2	2
14.07.2022	2	2
02.09.2022	2	2
23.09.2022	2	2
16.11.2022	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 2022-23, there are no other general meetings of the members of the Company except the 34th Annual General Meeting.

11. 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 obtained final approval of NSE 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.

12. Dividend Distribution Summary

Financial Year	Amount of Dividend (₹)	Date of payment	Dividend tax / (TDS) (₹)	%
2021-22 (Final)	1,47,84,000	03/08/2022	10,68,324	15
2021-22 (Interim)	73,92,000	01/12/2021	6,86,840	5
2020-21	1,47,84,000	05/08/2021	20,33,572	15
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: August 14, 2023
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, 2023, 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 1, 2022 to March 31, 2023.

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.

Bhatt & Associates Company Secretaries LLP

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.

For Bhatt & Associates Company Secretaries LLP

Place: Mumbai
Date: 14.08.2023

Aashish K. Bhatt
Designated Partner
Membership No.: 19639
UDIN: A019639E000798472

INDEPENDENT AUDITOR'S REPORT

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

Report on Consolidated Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of Reports of other Auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statement give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31st 2023, and profit including other comprehensive income,

their Consolidated Cash Flows and the Consolidated Statement of Changes in Equities for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statement of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Responses
<p>1. Revenue Recognition</p> <p>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.</p> <p>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.</p>	<p>Principal Audit Procedures</p> <p>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:</p> <ul style="list-style-type: none"> We tested the effectiveness of controls relating to the- <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> – 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- <ul style="list-style-type: none"> (i) identification of distinct performance obligations (ii) whether the Company is acting as a principal or an agent.

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

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

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

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

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance is not a guarantee that an audit conducted in accordance with SAs will always detect a

material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal

financial control relevant to the Company's preparations of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Other Matters

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by section 143(3) of the Act, based on our audit and the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the other matters paragraph we report to the extent applicable, that:
 - a) We / the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief was necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion proper books of account as required by law relating to preparations of the aforesaid Consolidation of the Financial Statements have been kept so far as it appears from our examinations of those books and reports of the other auditors;
 - c) The consolidated Balance Sheet, the consolidated Statement of Profit and loss including the statement of other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement and Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of Consolidated Financial Statements;
 - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2023 and taken on record by the Board of Directors of the holding company and the report of the Statutory Auditors who are appointed under section 139 of the Act of its subsidiaries, none of the directors of the group companies incorporated in India is disqualified as on 31 March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in 'Annexure 3', which is based on the auditors' reports of the subsidiary companies incorporated in India.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The group does not have any pending litigations which would impacts its financial position.
- ii. The group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.
- iv. a) The respective managements of the Holding Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such Subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been

received by the Holding Company or any of such Subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared/paid during the year and subsequent to the year-end by the Holding Company and subsidiary companies, as and where dividend declared/paid, is in compliance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

CA. Jay Shah
(Proprietor)
Membership No. 134334
UDINo. : 23134334BGWPF09673

Place : Mumbai
Date : 29th May, 2023

Annexure to the Independent Auditors' Report of Consolidated Financial Statements

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

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

Annexure – 2: Details of the Group

A. Parent Company;

Sr. No.	Name of the Parent Company
1.	Aarvi Encon Limited

B. Subsidiaries held directly

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

C. Subsidiaries held indirectly

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

D. Associate Entities

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

Annexure – 3:

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its Subsidiary companies which are incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting commensurate to its size and nature of business and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA. Jay Shah
(Proprietor)
Membership No. 134334
UDINo. : 23134334BGWPFO9673

Place : Mumbai
Date : 29th May, 2023

Consolidated Balance Sheet as at March 31, 2023

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4A	959.45	981.23
(b) Goodwill on Consolidation	5	20.12	20.12
(c) Other Intangible Assets	4B	30.77	12.40
(d) Intangible Asset Under Development	4C	-	-
(e) Investment in equity accounted joint venture		-	-
(f) Financial Assets	6		
(i) Loans and Advances	6.3	226.58	242.64
(ii) Others	6.5	1,448.90	1,827.54
(g) Deferred Tax Asset, Net	7	18.56	16.98
(g) Other non current assets	8	1,804.48	1,371.27
		4,508.85	4,472.18
(2) Current Assets			
(a) Financial Assets	6		
(i) Investments	6.1	37.16	35.74
(ii) Trade Receivable	6.2	9,502.64	8,101.07
(iii) Cash and cash equivalents	6.4	438.55	507.04
(iv) Other Bank Balances	6.4	228.56	218.98
(v) Loans and Advances	6.3	84.76	36.45
(vi) Others	6.5	807.93	1,348.88
(b) Other current assets	8	236.18	177.23
		11,335.77	10,425.39
Total Assets		15,844.63	14,897.57
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	9	1,478.40	1,478.40
(b) Other Equity	10	9,327.56	7,990.51
Equity attributable to owners of Holding Company		10,805.96	9,468.91
Liabilities			
Non-current liabilities			
(a) Financial Liabilities	11		
(i) Borrowings	11	-	-
(ii) Lease Liability	11	-	-
(iii) Others	11.3	45.80	162.08
(b) Provisions	14	-	-
(c) Deferred Tax Liabilities (Net)	12	37.06	30.22
(d) Other Non-current liabilities	13	-	-
		82.86	192.30
Current liabilities			
(a) Financial Liabilities	11		
(i) Borrowings	11.1	340.30	643.03
(ii) Lease Liability	11	-	-
(iii) Trade payables	11.2	1,021.47	1,019.04
(iv) Others	11.3	2,125.52	2,448.78
(b) Other current liabilities	13	1,458.67	1,120.77
(b) Provisions	14	9.85	4.75
(c) Liabilities for current tax (net)	15	-	-
		4,955.81	5,236.36
Total Equity and Liabilities		15,844.63	14,897.57

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Jay Shah
Proprietor
M.No. 134334

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

Place : Mumbai
Date : 29th May, 2023

Place : Mumbai
Date : 29th May, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from Operations	16	43,652.19	28,854.71
II Other Income	17	131.34	117.88
III Total Revenue (I + II)		43,783.52	28,972.58
IV Expenses:			
Employee Benefit Expenses	18	29,160.52	21,665.92
Finance Cost	19	175.90	73.13
Depreciation and amortisation expense	20	122.83	102.36
Other Expenses	21	12,670.60	5,916.12
Total Expenses (IV)		42,129.85	27,757.53
V Profit/(Loss) before exceptional item and Tax (III-IV)		1,653.68	1,215.05
VI Exceptional items:			
Exceptional items/Tax Recovery of earlier years		86.01	-
VII Profit/(Loss) Before Tax (V-VI)		1,567.66	1,215.05
VIII Tax Expense	22		
1. Current Tax		111.25	11.00
2. Short/Excess Provision of Tax		-	-
3. Deferred Tax (Credit)/Charge		5.27	(2.68)
Total Tax Expenses (VIII)		116.52	8.32
IX Profit/(Loss) for the year (VII-VIII)		1,451.15	1,206.74
X Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		2.31	4.07
tax effect thereon			
(ii) Items that will be reclassified to profit or loss			
Changes in foreign currency translation reserve		105.29	46.63
tax effect thereon			
Other Comprehensive Income for the year, net of tax		107.60	50.70
XI Total comprehensive income for the year		1,558.75	1,257.44
XII Net Profit attributable to:			
Owners of the Holding Company Profit / (Loss)		1,451.15	1,206.74
Non-Controlling Interest Profit /(Loss)		-	-
		1,451.15	1,206.74
XIII Other Comprehensive Income attributable to:			
Owners of the Holding Company		107.60	50.70
Non-Controlling Interest		-	-
		107.60	50.70
XIV Total Comprehensive Income attributable to:			
Owners of the Holding Company		1,558.75	1,257.44
Non-Controlling Interest Profit /(Loss)		-	-
		1,558.75	1,257.44
XV Earnings per Share			
Basic & Diluted	23	9.82	8.16
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 Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Jay Shah
Proprietor
M.No. 134334

Place : Mumbai
Date : 29th May, 2023

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Place : Mumbai
Date : 29th May, 2023

Statement of Changes in Equity

(All figures are in lakhs unless otherwise stated)

A Equity

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	14,784,000	1,478.40	14,784,000	1,478.40
Changes in equity share capital during the year	-	-	-	-
Balance at the end of Reporting period	14,784,000	1,478.40	14,784,000	1,478.40

B Other Equity

Particulars	Retained Earnings	Securities Premium	OCI - Exchange differences on translation of Foreign Operations	General Reserve	Total
Balance as at 31 March 2021	4,897.69	1,492.29	71.41	567.37	7,028.76
Profit/(Loss) for the year	1,206.74	-	-	-	1,206.74
Dividend & Dividend Distribution tax	(295.69)	-	-	-	(295.69)
Less : Transferred to General Reserve	(123.09)	-	-	123.09	-
Less : Deferred tax liability on above	-	-	-	-	-
Exchange differences on translation of Foreign Operations	-	-	46.63	-	46.63
Defined Benefit Obligation	4.07	-	-	-	4.07
Balance as at 31 March 2022	5,689.72	1,492.29	118.04	690.46	7,990.51
Profit/(Loss) for the year	1,451.15	-	-	-	1,451.15
Dividend & Dividend Distribution tax	(221.76)	-	-	-	(221.76)
Less : Transferred to General Reserve	-	-	-	-	-
Less : Deferred tax liability on above	-	-	-	-	-
Exchange differences on translation of Foreign Operations	-	-	105.35	-	105.35
Defined Benefit Obligation	2.31	-	-	-	2.31
Balance as at 31 March 2023	6,921.42	1,492.29	223.39	690.46	9,327.56

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

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.

Foreign currency translation reserve (FCTR)

Exchange differences on translating the financial statements of foreign operations.

The General Reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

As per our report of even date

As per our report of even date

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

Jay Shah
Proprietor
M.No. 134334

Place : Mumbai
Date : 29th May, 2023

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Place : Mumbai
Date : 29th May, 2023

Consolidated Cash Flow Statement for the period ended March 31, 2023

(All amounts are Rupees in lakhs unless otherwise stated)

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

As per our report of even date

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

Jay Shah
Proprietor
M.No. 134334

Place : Mumbai
Date : 29th May, 2023

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Place : Mumbai
Date : 29th May, 2023

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.

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 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.

III) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2023. 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 2023.

(i) Consolidation Procedure

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full, except as stated below Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(ii) Non-controlling interests in the net assets of consolidated subsidiaries consists of :

- a) The amount of equity attributed to non controlling interests at the date on which investment in a subsidiary relationship came into existence;
- b) The non-controlling interest share of movement in equity since the date parent subsidiary relationship came into existence;
- c) Non-controlling interest share of net profit/ (loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group.

(iii) The following entities are considered in the Consolidated Financial Statements listed below:

Sr. No.	Name of the Entity	Principal place of business	Proportion of ownership interest either directly or indirectly	Proportion of ownership interest either directly or indirectly
			As on March 31, 2023	As on March 31, 2022
1	Subsidiary :-			
	Aarvi Engineering & Consultants Private Limited	India	100%	100%
	Aarvi Encon FZE	UAE	100%	100%
	Aarvi Encon Resources Limited	UK	100%	100%
	Aarvi Encon Staffing Services W.L.L - QATAR	Qatar	100%	-
2	Entities significantly controlled			
	PT Aarvi Encon Services, Indonesia	Indonesia		
	Aarvi Encon LLC, Oman	Oman		

IV) 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 substantively 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

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, 2023

(All figures are in Lakhs unless otherwise stated)

4A Property, Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block Asset Class Wise-2022-23

Tangible Assets

Particulars	Office Premises	Plant & Machinery	Electrical Installation	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost								
As at 31st March 2021	1,133.25	103.17	38.31	131.20	66.43	123.93	145.58	1,741.86
Additions	-	12.14	1.74	17.20	27.74	35.14	-	93.96
Disposals/Adjustments	-	-	1.27	57.30	16.65	86.11	5.98	167.32
As at 31st March 2022	1,133.25	115.31	38.77	91.09	77.52	72.96	139.60	1,668.50
Additions	-	13.77	-	8.86	21.17	23.99	35.56	103.35
Disposals/Adjustments	-	2.98	-	0.17	4.48	-	48.53	56.15
As at 31st March 2023	1,133.25	126.10	38.77	99.78	94.21	96.95	126.63	1,715.69
Depreciation								
As at 31st March 2021	267.86	62.20	30.45	112.30	50.12	101.33	120.04	744.30
Charge for the Year	42.13	9.04	2.30	7.41	14.16	19.15	7.21	101.39
Disposals	-	-	1.21	54.44	15.82	81.81	5.15	158.43
As at 31st March 2022	309.99	71.24	31.54	65.27	48.46	38.67	122.10	687.27
Charge for the Year	40.07	9.51	1.86	6.73	16.21	29.30	10.94	114.61
Disposals	-	0.74	-	0.06	0.21	-	44.62	45.63
As at 31st March 2023	350.05	80.01	33.39	71.94	64.46	67.97	88.42	756.25
Net Block								
As at 31st March 2023	783.19	46.09	5.38	27.84	29.75	28.98	38.21	959.45
As at 31st March 2022	823.26	44.07	7.24	25.82	29.05	34.29	17.50	981.23

- 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.
- There are no changes proposed to the previously assessed residual useful life of the assets.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

4B Intangible Asset

Particulars	Software
Cost	
As at 31st March 2021	12.86
Additions	10.15
Disposals/Adjustments	-
As at 31st March 2022	23.01
Additions	30.00
Disposals/Adjustments	3.43
As at 31st March 2023	49.59
Depreciation	
As at 31st March 2021	9.64
Charge for the Year	0.97
Disposals	-
As at 31st March 2022	10.62
Charge for the Year	8.20
Disposals	-
As at 31st March 2023	18.82
Net Block	
As at 31st March 2023	30.77
As at 31st March 2022	12.40

4C Intangible Under Development

Particulars	Software under Development
As at March 31, 2021	17.13
Expensed off	9.60
Capitalised	7.53
As at March 31, 2022	-
Expensed off	-
Capitalised	-
As at March 31, 2023	-

Intangible Under Development ageing schedule as at 31st March 2023

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

Intangible Under Development ageing schedule as at 31st March 2022

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
5 Goodwill on Consolidation	20.12	20.12
	20.12	20.12

6 Financial Assets

6.1 A Other Investments (At FVTPL)

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
Mutual Funds	-	-	37.16	35.74
Total	-	-	37.16	35.74

A Quoted

In Mutual Funds	March 31, 2023		March 31, 2022	
	No of units	Amount	No of units	Amount
Axis Banking & PSU Debt-G	551.47	12.32	551.47	11.81
IDFC Banking & PSU Debt Reg-G	59,745.72	12.48	59,745.72	11.96
IDFC Corporate Bond Reg-G	76,107.56	12.36	76,107.56	11.98
	136,404.74	37.16	136,404.74	35.74

6.2 Trade Receivables

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
(Unsecured at Amortised Cost)				
i) Considered good	-	-	9,701.41	8,211.21
ii) Considered doubtful	-	-	21.95	114.95
Less : Expected credit Loss	-	-	(220.72)	(225.09)
	-	-	9,502.64	8,101.07

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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Movement in the expected credit loss allowance

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the period	225.09	162.43
Impairment loss recognised	95.67	68.63
Amount written off during the period	(100.05)	(5.96)
Provision at the end of the period	220.72	225.09

Aging of Trade receivables as at 31st March 2023

Particulars	Unbilled/ Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables							
- considered good	6,693.49	2,474.86	115.63	92.06	35.02	290.35	9,701.41
- considered doubtful	-	-	-	-	-	-	-
ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	21.95	21.95
	6,693.49	2,474.86	115.63	92.06	35.02	312.30	9,723.36
Less : Expected credit Loss							220.72
							9,502.64

Aging of Trade receivables as at 31st March 2022

Particulars	Unbilled/ Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables							
- considered good	5,241.39	2,323.35	126.44	89.67	105.11	325.25	8,211.21
- considered doubtful	-	-	-	-	-	-	-
ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	114.95	114.95
	5,241.39	2,323.35	126.44	89.67	105.11	440.20	8,326.16
Less : Expected credit Loss							225.09
							8,101.07

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

6.3 Loans and Advances

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
(Unsecured Considered goods)				
i) Rent Deposits	-	-	30.95	24.21
ii) Earnest Money Deposits	92.62	118.76	-	-
iii) Other Security Deposits	2.04	1.94	-	-
iv) Loans to others	131.92	121.94	53.81	12.25
	226.58	242.64	84.76	36.45

6.4 Cash and Bank Balances

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
A Cash and cash equivalents				
i) Balances with banks	-	-	436.09	504.24
ii) Cash on hand	-	-	2.46	2.80
iii) Cheques in hand	-	-	-	-
iv) Fixed Deposits with Bank	-	-	-	-
	-	-	438.55	507.04
B Other Bank Balances				
i) In Earmarked Accounts (*)	-	-	1.35	-
ii) Term Deposits with Banks (**)	-	-	227.20	218.98
Total	-	-	228.56	218.98

(*) 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

6.5 Others

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
Unsecured Considered Good				
i) Contract Asset				
- Security Deposit and Retentions	634.14	665.54	-	-
- Unbilled Revenue	-	-	624.26	700.00
ii) Reimbursement Right for Gratuity-Contract Staff	45.80	162.08	57.40	82.75
iii) Interest Accrued On Deposits	-	-	12.60	9.24
iv) Term Deposits with Banks	768.97	999.92	-	-
v) Other Receivables	-	-	113.67	556.88
	1,448.90	1,827.54	807.93	1,348.88

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

7 Deferred Tax Asset

	As at	
	March 31, 2023	March 31, 2022
a) Deferred Tax Asset on account of :		
i) Depreciation due to timing difference	1.06	0.67
ii) Unabsorbed depreciation	1.07	0.96
iii) Business Loss	16.44	15.35
	18.56	16.98

8 Other Assets

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
i) Capital Advances	59.85	59.85	-	-
ii) Prepaid Expenses	-	-	145.49	108.71
iii) Prepaid Taxes (Net of Provision of Tax)	1,744.63	1,311.42	-	-
iv) Advance to suppliers	-	-	28.04	31.18
v) Balances with Tax Authorities	-	-	39.85	18.94
vi) Staff Advances	-	-	22.79	18.39
vii) Prepaid Gratuity	-	-	-	-
Total	1,804.48	1,371.27	236.18	177.23

9 Equity Share capital

	As at	
	March 31, 2023	March 31, 2022
i) Authorised shares :		
March 31, 2023: 2,00,00,000 Equity shares of Rs 10/- each	2,000.00	2,000.00
March 31, 2022: 2,00,00,000 Equity shares of Rs 10/- each		
Total	2,000.00	2,000.00
ii) Issued and subscribed and Paid-up shares :		
March 31, 2023: 1,47,84,000 Equity shares of Rs 10/- each	1,478.40	1,478.40
March 31, 2022 : 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, 2023		March 31, 2022	
	Number	Amount	Number	Amount
Balance, beginning of the year	14,784,000	1,478.40	14,784,000	1,478.40
Issued during the year	-	-	-	-
Balance, end of the year	14,784,000	1,478.40	14,784,000	1,478.40

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

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, 2023		March 31, 2022	
	Number	%	Number	%
Equity Shares				
Mr. Virendra Dalpatram Sanghavi	7,595,000	51.37%	7,595,000	51.37%
Mr. Jaydev Virendra Sanghavi	2,182,500	14.76%	2,182,500	14.76%
	9,777,500	66.14%	9,777,500	66.14%

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) Shares held by Promoters

Promoter Name	As at 31 March 2023		As at 31 March 2022		% of change during the year
	No of Shares	%of total Shares	No of Shares	%of total Shares	
Mr. Virendra Dalpatram Sanghavi	7,595,000	51.37%	7,595,000	51.37%	0.00%
Mr. Jaydev Virendra Sanghavi	2,182,500	14.76%	2,182,500	14.76%	0.00%
Ms. Naini Kulkarni	651,000	4.40%	651,000	4.40%	0.00%
Mr. Aditya Sanghavi	162,750	1.10%	162,750	1.10%	0.00%
Ms. Ami Sanghavi	271,250	1.83%	271,250	1.83%	0.00%
Total	10,862,500	73.47%	10,862,500	73.47%	0.00%

10 Other Equity

	As at March 31, 2023	As at March 31, 2022
i) Retained Earnings	6,921.42	5,689.72
ii) Securities Premium Account	1,492.29	1,492.29
iii) General Reserve	690.46	690.46
iv) Other Comprehensive Income	223.39	118.04
	9,327.56	7,990.51

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

11 Financial Liabilities (at amortized cost)

	As at	
	March 31, 2023	March 31, 2022
11.1 Short Term Borrowings (at amortised cost)		
(Secured)		
Cash Credit Facility	340.30	643.03
Total	340.30	643.03
Breakup of Cash Credit Facilities		
HSBC Bank Limited	10.53	293.02
Yes Bank Limited	306.86	350.01
HDFC Bank Limited	22.90	-
Total	340.30	643.03

Security for loans and Terms of payment

In respect of Cash Credit, working capital demand loan and Bank guarantees from HSBC Bank Limited

- Pari Passu charge on Current Assets and fixed assets.
- Exclusive Charge over Property situated at Office no. 901, 9th floor, B2, Marathon Nextgen Innova, Lower Parel, Mumbai 400013.
- Personal Guarantee from Mr. Jaydev Sanghavi and Mr. Virendra Sanghavi
- 15% Deposits under lien

In respect of Cash Credit, working capital demand loan and Bank guarantees from Yes Bank Limited

- Pari Passu charge with HDFC Bank and HSBC on Current Assets and 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 lakhs in the form of fixed deposit receipt placed under bank lien.

In respect of Cash Credit, working capital demand loan and Bank guarantees from HDFC Bank Limited

- First charge on Pari Passu basis with HSBC and Yes Bank by the way of Hypothecation on all present and future book debts of the Company.
- Fixed Deposit of Rs. 382.59 lakhs under lien
- Exclusive charge on Flat No 11 & 11A, Building O, 4th Floor, Konark Campus Co-operative Housing Society, Lohegaon Village, Taluka Haveli, Pune.

11.2 Trade Payables (at amortised cost)

	As at	
	March 31, 2023	March 31, 2022
i) Trade payables - Micro, small and medium enterprises	-	0.10
ii) Trade payables - Others	1,021.47	1,018.94
Total	1,021.47	1,019.04

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

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.

Trade Payables aging schedule as at 31st March 2023

Particulars	Less then 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Payables					-
MSME	-	-	-	-	-
Others	914.30	105.60	1.57	-	1,021.47
ii) Disputed Trade Payables					-
MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	914.30	105.60	1.57	-	1,021.47

Trade Payables aging schedule as at 31st March 2022

Particulars	Less then 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Payables					-
MSME	0.10	-	-	-	0.10
Others	1,017.30	1.51	0.13	-	1,018.94
ii) Disputed Trade Payables					-
MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	1,017.40	1.51	0.13	-	1,019.04

11.3 Other Financial Liabilities (At Amortised Cost)

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
i) Current Maturities of Long term Borrowings	-	-	-	-
ii) Advance from Customers	-	-	-	-
iii) Employee Liabilities	-	-	2,037.99	2,353.05
iv) Employee Benefit Liability-Contract Staff	45.80	162.08	57.40	82.75
v) Others	-	-	30.12	12.98
	45.80	162.08	2,125.52	2,448.78

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

12 Deferred Tax Liability

	As at	
	March 31, 2023	March 31, 2022
a) Deferred Tax Liability on account of :		
i) Depreciation due to timing difference	49.82	47.73
b) Deferred Tax Asset on account of :		
i) Employee Benefits	12.76	17.51
ii) Right of Use Asset		-
	37.06	30.22

13 Other Liabilities

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
i) Duties and Taxes payable	-	-	1,458.67	1,120.77
Total	-	-	1,458.67	1,120.77

14 Provisions

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
i) Provision for Employee Benefits				
Provision for Gratuity	-	-	9.85	4.75
	-	-	9.85	4.75

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, 2023	As on March 31, 2022
(a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	101.93	92.09
Current Service Cost	12.52	11.49
Interest Cost	6.32	5.67
Actuarial (Gain) /Loss-Other Comprehensive Income	(5.66)	(4.00)
Benefits paid	(6.84)	(3.32)
Defined Benefit obligation at the year end	108.26	101.93

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Particulars	As on March 31, 2023	As on March 31, 2022
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	97.18	94.26
Adjustment to the Opening fund	-	-
Expected return on Plan Assets	(3.35)	0.08
Interest Income	6.42	6.17
Employer Contribution	5.00	-
Benefits Paid	(6.84)	(3.32)
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	98.41	97.18
(c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	98.41	97.18
Present value of Defined Benefit obligation	108.26	101.93
Liability recognized in Balance Sheet	9.85	4.75
(d) Expenses recognized during the year (Under the head “ Employees Benefit Expenses)		
Current Service Cost	12.52	11.49
Interest Cost	6.32	5.67
Expected Rate of return on Plan Assets	(3.35)	0.08
Net Cost	15.48	17.23
(e) Actuarial (Gain)/Loss- Other Comprehensive Income	(2.31)	(4.07)
(f) Net liabilities recognised in the balance sheet		
Long-term provisions	9.85	4.75
Short-term provisions/(Loans and Advances)	(0.00)	(0.00)
	9.85	4.75
ii) Actuarial Assumptions		
Particulars	As on March 31, 2023	As on March 31, 2022
Discount rate (per annum)	7.40%	6.80%
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)	7.40%	6.80%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the Group fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars		Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption				
	31-Mar-23	0.50%	0.50%	10.00%
	31-Mar-22	0.50%	0.50%	10.00%
Increase in assumption				
	31-Mar-23	(104.96)	111.07	108.58
	31-Mar-22	(98.69)	104.78	102.01
Decrease in assumption				
	31-Mar-23	111.76	(105.39)	(107.89)
	31-Mar-22	105.38	(99.12)	(101.83)

(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.

15 Current Tax Liabilities (Net)

	As at	
	March 31, 2023	March 31, 2022
a) Provision for Tax (Net of Taxes Paid)	-	-
	-	-

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

16 Revenue from Operations

	Year Ended March 2023	Year Ended March 2022
i) Revenue from Manpower Services		
Supply of Manpower and Consultancy Fees	37,695.94	26,953.39
Fees for Business Consultancy	5,303.12	1,393.76
Fees for Placement Services	-	-
ii) Other Operating Revenue	653.12	507.55
	43,652.19	28,854.71

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	2022-23	2021-22
Manpower Supply and Consultancy Fees	37,695.94	26,953.39
Fees for Business Consultancy	5,303.12	1,393.76
Reimbursement Income for Services Provided	653.12	507.55
	43,652.19	28,854.71

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

Customer Type	2022-23	2021-22
Government Companies	8,810.47	9,607.99
Non Government Companies	34,841.72	19,246.72
	43,652.19	28,854.71

(iii) Movement in Contract Balances

Particulars	Opening	Billed for the Financial Year	Addition during the year	Closing
Advance from Customers				
March 2023	-	-	-	-
March 2022	-	-	-	-

Particulars	Opening	Billed/ Reversed for the Financial Year	Addition during the year	Closing
Unbilled Revenue				
March 2023	700.00	700.00	624.26	624.26
March 2022	664.00	664.00	700.00	700.00

(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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

17 Other Income

	Year Ended March 2023	Year Ended March 2022
i) Interest Income on Financial Assets at FVTPL	1.42	1.46
ii) Interest Income on Fixed Deposits	75.85	100.86
iii) Interest Income on Loans and Advances	0.24	0.64
iv) Profit on Sale of Property, Plant and Equipment	4.48	-
v) Reversal of Provision for Expected Credit Loss	-	-
vi) Interest Income on Financial Assets at amortised cost	-	-
vii) Interest Income on Income Tax Refund	-	-
viii) Sundry Balance written Back	(0.00)	0.11
ix) Foreign Exchange Gain	23.08	-
ix) Miscellaneous income	26.27	14.82
	131.34	117.88

18 Employee Benefit Expenses

	Year Ended March 2023	Year Ended March 2022
i) Salaries & Wages, Bonus, Perquisites, etc	27,271.52	19,973.07
ii) Contribution to Provident, Gratuity funds	1,313.98	1,151.13
iii) Managerial Remuneration	336.00	336.00
iv) Staff Insurance	200.48	173.73
v) Staff Welfare	38.54	31.98
	29,160.52	21,665.92

19 Finance Cost

	Year Ended March 2023	Year Ended March 2022
i) Interest Expense on Lease Liability	-	-
ii) Interest on Borrowings	171.31	68.58
iii) Interest on Income Tax	-	-
iv) Interest on Indirect Taxes	4.59	4.55
	175.90	73.13

20 Depreciation and Amortization

	Year Ended March 2023	Year Ended March 2022
i) Depreciation on Property, Plant & Equipment	122.83	102.36
ii) Depreciation on Right of Use Assets	-	-
Total	122.83	102.36

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

21 Other expenses

	Year Ended March 2023	Year Ended March 2022
Assets Scrapped	3.43	-
Remuneration to Auditor	12.20	14.90
Remuneration to Component Auditors	0.53	1.19
Director's Sitting Fees	7.33	3.00
Travelling Expenses	690.08	568.52
Expected Credit Loss	95.67	68.63
Site related Expenses	892.80	742.18
Consumables purchased	188.38	151.09
Professional Fees - Project	9,417.12	3,125.67
Rates and Taxes	3.40	3.72
Power and Fuel	62.36	15.18
Rent	181.97	122.26
Membership & Subscription	38.20	8.33
Health and Safety Expenses	106.08	112.53
Housekeeping Expenses	27.77	10.49
Insurance Charges	4.78	8.73
Advertisement Expenses	17.70	26.04
Donation	11.99	2.76
Motor Car Expenses	6.86	8.64
Food and Accommodation Expenses	395.77	478.34
Printing and Stationery Expenses	26.61	17.91
Legal & Professional Charges	132.14	120.96
Business Promotion Expenses	12.72	9.50
Telephone Charges	25.58	20.95
Bank Charges	36.61	50.55
Corporate Social Responsibility Expenses	16.94	9.33
Water Charges	7.44	6.58
Repairs and Maintenance Expenses	20.65	15.30
Foreign Exchange Loss	-	1.75
Loss on disposal of Fixed Assets	-	16.79
Office Maintenance Expenses	12.16	10.88
Other Expenses (None of which individually forms more than 1% of the Operating Revenue)	215.37	163.42
Total	12,670.60	5,916.12

a) Payment to auditors	Year Ended March 2023	Year Ended March 2022
Audit fee	10.10	9.75
Tax Matters	2.10	3.10
Others	-	2.05
Total payments to auditors	12.20	14.90

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

b) Payment to Component auditors	Year Ended March 2023	Year Ended March 2022
Audit fee	0.53	1.19
Tax Audit	-	-
Tax Matters	-	-
Total payments to Component auditors	0.53	1.19

22 Tax Expense

	Year Ended March 2023	Year Ended March 2022
a) Income tax expense in the statement of profit and loss consists of:		
Current Tax	111.25	11.00
Short/Excess Provision of Tax	-	-
Minimum alternative tax entitlement	-	-
Deferred Tax	5.27	(2.68)
Income tax recognised in statement of profit or loss	116.52	8.32

- 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 :

Particulars	Year Ended March 2023	Year Ended March 2022
A Current Tax		
Accounting Profit Before Income Tax	1,653.68	1,215.05
Less : Non taxable profit or Loss of Subsidiaries	123.91	(24.22)
Taxable Profit or loss	1,529.77	1,239.28
Enacted tax rates in India (%)	25.168%	25.168%
Computed expected tax expenses	385.01	311.90
Effect of non- deductible expenses	84.48	100.49
Effects of deductible Expenses	(358.24)	(401.39)
Income tax expenses - Net	111.25	11.00
Tax liability as per Minimum Alternate Tax on book profits		
Minimum Alternate Tax rate	0.00%	0.00%
Computed tax liability on book profits		
Tax effect on adjustments:		
1/5 portion of Opening IND AS Reserve as on April 1, 2018		
Effect of non deductible expense		
Differential MAT Provided in Subsequent year		
Minimum Alternate Tax on Book Profit	-	-
Higher of A or B	111.25	11.00

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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

B Deferred Tax

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

Particulars	Opening	Recognised in P&L	Recognised in OCI	Closing
As at March 31, 2021	30.38	2.50	-	32.89
Property, Plant and Equipment	43.91	3.82	-	47.73
Employee benefits	(11.02)	(6.49)	-	(17.51)
Right of Use Asset	-	-	-	-
As at March 31, 2022	32.89	(2.67)	-	30.22
Property, Plant and Equipment	47.73	2.09	-	49.82
Employee benefits	(17.51)	4.75	-	(12.76)
Right of Use Asset	-	-	-	-
As at March 31, 2023	30.22	6.84	-	37.06

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 2023	Year Ended March 2022
Net profit attributable to owners of the Holding Company	1,451.15	1,206.74
Outstanding equity shares at period end - Nos	14,784,000	14,784,000
Weighted average Number of Shares outstanding during the period – Basic	14,784,000	14,784,000
Weighted average Number of Shares outstanding during the period - Diluted	14,784,000	14,784,000
Earnings per Share - Basic (Rs.)	9.82	8.16
Earnings per Share - Diluted (Rs.)	9.82	8.16

Reconciliation of weighted number of outstanding during the period:

Particulars	Year Ended March 2023	Year Ended March 2022
Nominal Value of Equity Shares (Rs per share)	10	10
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	14,784,000	14,784,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	14,784,000	14,784,000
Weighted average number of equity shares at the end of the period	14,784,000	14,784,000
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	14,784,000	14,784,000
Weighted average number of equity shares used in calculating diluted EPS	14,784,000	14,784,000

24 Contingent Liabilities

Particulars	March 31, 2023	March 31, 2022
Bank Guarantees	1,543.60	1,557.99
Total	1,543.60	1,557.99

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

25 Commitments

Particulars	March 31, 2023	March 31, 2022
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, 2023	March 31, 2022
Revenue from geographical segment		
-Within India	38,278.59	27,460.95
-Outside India	5,373.59	1,393.76
Total	43,652.19	28,854.71

a) The non-current assets attributable to any particular geographical segment is not material for disclosure.

b) Major Customers

The top 1 customers account for 17% of the total revenue earned during the year ended March 31, 2023 (March 31, 2022: Top 1 customers accounted for 14% of the total revenue earned).

27 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, 2023	Proportion of ownership (%) as at March 31, 2022
(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) Entities significantly controlled					
1	Aarvi Encon Staffing Services W.L.L - QATAR	Qatar	Manpower and Consultancy Service		
2	PT Aarvi Encon Services, Indonesia	Indonesia			
3	Aarvi Encon LLC, Oman	Oman			

II The entity does not have any subsidiaries that have non controlling interests.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

28 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

Ms Leela S. Bisht, Company Secretary & Compliance Officer

ii Entities significantly influenced or controlled by Key Management Personnel or their relatives

Eneryjobz Services Private Limited

Aarvi Encon Employees Group Gratuity Fund

iii Relatives of Key Management Personnel

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)

Ms. Nirali J. Sanghavi (Daughter 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)
Ms Leela Bisht	-	5.39	-	5.39
	-	(4.45)	-	(4.45)
Mr. Jay Shah	-	-	-	-
	-	-	-	-
Rent				
Ms. Nirali J. Sanghavi	-	-	4.20	4.20
	-	-	(3.85)	(3.85)
Salaries and wages				
Mrs. Naini N. Kulkarni	-	-	27.14	27.14
	-	-	(23.89)	(23.89)
Mrs. Ami J. Sanghavi	-	-	9.49	9.49
	-	-	(8.19)	(8.19)
Mr. Aditya Sanghavi	-	-	5.20	5.20
	-	-	(2.70)	(2.70)
Professional Fees Paid				
Aarvi IT services	-	-	-	-
	-	-	(0.48)	(0.48)

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Director sitting fees				
Mr. Devendra J Shrimanker, Independent Director	-	2.35		2.35
		(0.95)		(0.95)
Mrs. Sonal N Doshi, Independent Director	-	2.43		2.43
		(1.05)		(1.05)
Mrs. Padma V Devarajan, Independent Director	-	1.80		1.80
		(0.75)		(0.75)
Mr. Sharad Sanghi, Independent Director		0.35		0.35
		(0.25)		(0.25)
Mr. Ramamoorthy Ramachandran, Independent Director		0.40		0.40
Dividend paid				
Mr. Virendra Sanghavi	-	113.93	-	113.93
	-	(151.90)	-	(151.90)
Mr. Jaydev Sanghavi	-	32.74	-	32.74
	-	(43.65)	-	(43.65)
Mrs. Ami Jaydev Sanghavi	-	-	4.07	4.07
	-	-	(5.43)	(5.43)
Mr. Aditya Jaydev Sanghavi	-	-	2.44	2.44
	-	-	(3.26)	(3.26)
Mrs. Naini Ninad Kulkarni	-	-	9.77	9.77
	-	-	(10.85)	(10.85)
Mr. Ninad V. Kulkarni	-	-	-	-
	-	-	(2.17)	(2.17)
Rent Deposit				
Mr. Virendra Sanghavi	-	0.70	-	0.70
	-	(0.70)	-	(0.70)
Outstanding				
Mr. Virendra Sanghavi	-	55.53	-	55.53
	-	(58.92)	-	(58.92)
Mr. Jaydev Sanghavi	-	80.85	-	80.85
	-	(80.37)	-	(80.37)
Mrs. Naini N. Kulkarni	-	-	1.65	1.65
	-		(1.75)	(1.75)
Mrs. Ami J. Sanghavi	-	-	0.70	0.70
	-	-	(0.61)	(0.61)
Mr. Aditya J. Sanghavi	-	-	0.40	0.40
	-	-	(0.28)	(0.28)
Ms Nirali J. Sanghavi	-	-	0.31	0.31
	-	-	(0.31)	(0.31)

Figures above do not include IND AS Adjustments

For KMP 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, 2023

(All figures are in Lakhs unless otherwise stated)

29 Corporate Social Responsibility

For 2022-23

- Gross amount required to be spent by the Company during the year : Rs. 16.35 Lacs
- Excess amount spent for the Financial Year 21-22 (Amount Allowed to be set off against CSR Expenditure of the Current Year) : Rs 5.86 Lacs
- Amount to be spent in F.Y. 2022-23 : Rs 10.49 Lacs
- Actual 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.	16.94	-	16.94
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	16.94	-	16.94

For 2021-22

- Gross amount required to be spent by the Company during the year : Rs. 13.00 Lacs
- Excess amount spent for the Financial Year 2020-21 (Amount Allowed to be set off against CSR Expenditure of the Current Year) : Rs 9.53 Lacs
- Amount to be spent in F.Y. 2021-22 : Rs 3.47 Lacs
- Actual 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.	9.33	-	9.33
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	9.33	-	9.33

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

30 Derivative Instruments and Unhedged Foreign Currency Exposure

- (i) There are no derivative instruments outstanding as at March 31, 2023 and March 31, 2022.
- (ii) Unhedged foreign currency exposure towards receivables outstanding as at March 31, 2023 and March 31, 2022 is as under:

Particulars	As at			
	March 31, 2023		March 31, 2022	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables				
a) USD	-	-	0.03	2.53

31 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.

32 Financial Instruments

- i) **The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:**

	Carrying Value		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
a) Financial Assets				
Amortised Cost				
Trade Receivable	9,502.64	8,101.07	9,502.64	8,101.07
Loans and Advances	311.34	279.09	311.34	279.09
Cash and cash equivalents	438.55	507.04	438.55	507.04
Other Bank balances	228.56	218.98	228.56	218.98
Other	2,256.83	3,176.42	2,256.83	3,176.42
Total Financial Assets	12,737.92	12,282.60	12,737.92	12,282.60
b) Financial Liabilities				
Amortised Cost				
Borrowings	340.30	643.03	340.30	643.03
Trade payables	1,021.47	1,019.04	1,021.47	1,019.04
Others	2,171.32	2,610.86	2,171.32	2,610.86
Total Financial Liabilities	3,533.09	4,272.93	3,533.09	4,272.93

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, 2023

(All figures are in Lakhs unless otherwise stated)

33 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 consolidated 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, 2023 and March 31, 2022.

Particulars	Date of Valuation	Fair Value measurement using		
		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-23	37.16	-	-
Total financial assets		37.16	-	-
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-22	35.74	-	-
Total financial assets		35.74	-	-

34 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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

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, 2023	March 31, 2022
Current Assets		
Investment	37.16	35.74
Trade receivable	9,502.64	8,101.07
Cash and Cash Equivalent	438.55	507.04
Bank Balance	228.56	218.98
Loans and Advances	84.76	36.45
Other Financial Asset	807.93	1,348.88
Other Current Assets	236.18	177.23
Total	11,335.77	10,425.38
Less:		
Current Liabilities		
Borrowings	340.30	643.03
Lease Liability	-	-
Trade Payables	1,021.47	1,019.04
Others	3,594.04	3,574.29
Total	4,955.81	5,236.36
Net Working Capital	6,379.96	5,189.02

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, 2023			
Borrowings	340.30	-	340.30
Trade Payables	1,021.47	-	1,021.47
Other Financial Liabilities	2,125.52	45.80	2,171.32
Total	3,487.29	45.80	3,533.09
As at March 31, 2022			
Borrowings	643.03	-	643.03
Trade Payables	1,019.04	-	1,019.04
Other Financial Liabilities	2,448.78	162.08	2,610.86
Total	4,110.85	162.08	4,272.93

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

35 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, 2023	March 31, 2022
Gross Debt	340.30	643.03
Less:		
Cash and Cash Equivalent	438.55	507.04
Other Bank Balances	228.56	218.98
Net debt (A)	(326.82)	(82.99)
Total Equity (B)	10,805.96	9,468.91
Gearing ratio (A/B)	(0.03)	(0.01)

36 Transactions with companies struck off

There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

37 Financial Ratios

Particulars	March 31, 2023	March 31, 2022
a) Current ratio		
Current Assets	11,335.77	10,425.39
Current Liabilities	4,955.81	5,236.36
Current ratio	2.29	1.99
b) Debt-Equity ratio		
Debt	340.30	643.03
Equity	10,805.96	9,468.91
Debt-Equity ratio	0.03	0.07
c) Debt service coverage ratio		
EBIDTA	1,952.41	1,390.55
Debt service	171.31	68.58
Debt service coverage ratio	11.40	20.28
d) Return on equity ratio		
Net Profits after taxes	1,451.15	1,206.74
Average Shareholder's Equity	10,137.43	8,988.03
Return on equity ratio	0.14	0.13
e) Inventory turnover ratio		
sales	Not applicable	Not applicable
Average Inventory	Not applicable	Not applicable
	Not applicable	Not applicable

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
f) Trade receivables turnover ratio		
Net Credit Sales	43,652.19	28,854.71
Average Accounts Receivable	8,801.85	6,721.79
Trade receivables turnover ratio	4.96	4.29
g) Trade payables turnover ratio		
Net Credit Purchases	Not applicable	Not applicable
Average Trade Payables	Not applicable	Not applicable
Trade payables turnover ratio	Not applicable	Not applicable
h) Net capital turnover ratio		
Net Sales	43,652.19	28,854.71
Working Capital	6,379.96	5,189.03
Net capital turnover ratio	6.84	5.56
i) Net profit ratio		
Net Profit	1,451.15	1,206.74
Net Sales	43,652.19	28,854.71
Net profit ratio	3.32%	4.18%
j) Return on capital employed		
Earning before interest and taxes	1,829.58	1,288.19
Capital Employed	11,183.32	10,142.15
Return on capital employed	16.36%	12.70%
k) Return on investment		
Net Profit	1,653.68	1,215.05
Net Investment	11,146.26	10,111.94
Return on investment	14.84%	12.02%

38 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.

39 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, 2023.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

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

Jay Shah
Proprietor
M.No. 134334

Place : Mumbai
Date : 29th May, 2023

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Place : Mumbai
Date : 29th May, 2023

INDEPENDENT AUDITOR'S REPORT

**To The Members of
Aarvi Encon Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with the Standards

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Responses
<p>1. Revenue Recognition</p> <p>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.</p> <p>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.</p>	<p>Principal Audit Procedures</p> <p>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:</p> <ul style="list-style-type: none"> • We tested the effectiveness of controls relating to the- <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> - 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	Auditor's Responses
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.	Principal Audit Procedures Obtained details of completed tax assessments and demands upto the year ending March 31, 2023 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.

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

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

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

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

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

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015,

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

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

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

Auditors' Responsibility

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

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

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

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

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

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

From the matters communicated with those charged with

governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss

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

- d) In our opinion, the aforesaid standalone financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounts Standard) Rules, 2015, as amended.
 - e) On the basis of written representations received from the directors as on 31 March 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in 'Annexure 2'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impacts its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind

of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared/paid during the year and subsequent to the year-end by the Company is in compliance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

CA. Jay Shah
(Proprietor)
Membership No. 134334
UDINo. : 23134334BGWPFN7551

Place : Mumbai.
Date : 29th May, 2023

Annexure – 1 to the Independent Auditor's Report

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

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has a regular program of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information & explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(II) (a) The Company being in service sector, does not hold any physical inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has

been sanctioned and disbursed working capital limits of seven crore rupees during the year, in aggregate, from the banks or financial institutions on the basis of security of current assets and fixed assets. In our opinion, the statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(III) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments and also provided advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year.

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan

Annexure – 1 to the Independent Auditor's Report

or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans or advances in the nature of loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to following Promoters, related parties as defined in the clause (76) of section 2 of the Companies Act, 2013.

(IV) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(V) The Company has not accepted deposits from the public during the year and does not have any unclaimed deposits as at March 31, 2023 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

(VI) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

(VII)(a) According to the information and explanation given to us and on the basis of our examination of books of accounts and records, the Company has been regular in depositing the statutory dues applicable to the company with the appropriate authorities.

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

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

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

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

(IX) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

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

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

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

Annexure – 1 to the Independent Auditor's Report

or to meet the obligations of its subsidiaries, associates or joint ventures.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries
- (X) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x)(a) of the Order is not applicable.
- (b) Further according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year.
- (XI) (a) A case involving embezzlement of funds to the extent of Rs. 7,00,000/- (Rupees Seven Lakhs only), by the employee of the company, by falsification of records and documents reported during the year, out of which an amount of Rs. 6,00,000/- (Rupees Six Lakhs only) is outstanding as on date of this report. Apart from the above, during the course of our examination of books of accounts carried out by us in accordance with the generally accepted auditing practice in India, prima-facie no other instances of fraud on or by the company was noticed or reported during the year.
- (b) According to the information and explanation given to us no report under section 143(12) of Companies Act, was required to be filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit & Auditors) Rules 2014, with the Central Government.
- (c) As per information and explanation given by management and/or audit committee there were no whistle blower complaints received by the company during the year.
- (XII) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (XIII) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (XIV) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (XV) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (XVI) (a) & (b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence reporting under clause 3 (xvi)(a) and clause 3 (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (XVII) The company is generally profit-making company and there was no cash loss in the last financial year also.
- (XVIII) There has been no resignation of the statutory auditors of the company during the year and hence reporting under clause 3(xviii) of the Order is not applicable.
- (XIX) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans based on our examination of evidence supporting the assumptions, nothing has come to our attention, which

Annexure – 2 to the Independent Auditor's Report

causes us to believe that any material uncertainty exists as on the date of audit report that Company is not capable of meeting its liabilities existing as at the balance date as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give no guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(XX) In our opinion and according to the information and explanations given to us, there is no unspent amount

under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

CA. Jay Shah
(Proprietor)
Membership No. 134334
UDINo. : 23134334BGWPFN7551

Place : Mumbai.
Date : 29th May, 2023

Annexure – 2 to the Independent Auditor’s Report

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become

Annexure – 2 to the Independent Auditor's Report

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting commensurate to its size and nature of business and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA. Jay Shah
(Proprietor)
Membership No. 134334
UDINo. : 23134334BGWPFN7551

Place : Mumbai.
Date : 29th May, 2023

Balance Sheet as at March 31, 2023

(All amounts are in Rupees Lakhs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	955.85	974.60
(b) Other Intangible Assets	2	30.76	12.39
(c) Intangible Asset Under Development	3	-	-
(d) Financial Assets	4		
(i) Investments	4.1	89.49	67.43
(ii) Loans and Advances	4.3	472.62	120.70
(iii) Others	4.5	1,430.07	1,809.18
(e) Other non current assets	5	1,803.98	1,371.13
		4,782.77	4,355.43
(2) Current Assets			
(a) Financial Assets	4		
(i) Investments	4.1	-	-
(ii) Trade Receivable	4.2	7,873.50	6,923.58
(iii) Cash and cash equivalents	4.4	21.49	81.76
(iv) Other Bank Balances	4.4	227.20	218.98
(v) Loans and Advances	4.3	30.95	24.21
(vi) Others	4.5	826.60	1,357.22
(b) Other current assets	5	225.98	167.19
		9,205.72	8,772.93
Total Assets		13,988.49	13,128.36
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	6	1,478.40	1,478.40
(b) Other Equity	7	7,896.97	6,704.74
		9,375.37	8,183.14
Liabilities			
Non-current liabilities			
(a) Financial Liabilities	8		
Others	8.3	45.80	162.08
(b) Provisions	11	-	-
(c) Deferred Tax Liabilities (Net)	9	37.06	30.22
(d) Other Non-current liabilities	10	-	-
		82.86	192.30
Current liabilities			
(a) Financial Liabilities	8		
(i) Borrowings	8.1	340.30	643.03
(ii) Lease Liability	8.2	-	-
(iii) Trade payables	8.2	623.53	563.88
(iv) Others	8.3	2,103.30	2,437.27
(b) Other current liabilities	10	1,453.30	1,104.00
(b) Provisions	11	9.85	4.75
(c) Liabilities for current tax (net)	12	-	-
		4,530.27	4,752.92
Total Equity and Liabilities		13,988.49	13,128.36

As per our report of even date

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

Jay Shah
Proprietor
M.No. 134334

Place : Mumbai
Date : 29th May, 2023

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Place : Mumbai
Date : 29th May, 2023

Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are in Rupees lakhs unless otherwise stated)

Particulars	Note Ref	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from Operations (Gross)	13	38,269.49	27,451.40
II Other Income	14	160.98	121.18
III Total Revenue (I + II)		38,430.47	27,572.58
IV Expenses:			
Employee Benefit Expenses	15	28,858.18	21,499.32
Finance Cost	16	175.90	73.13
Depreciation and amortisation expense	17	119.07	101.80
Other Expenses	18	7,747.55	4,659.05
Total Expenses (IV)		36,900.70	26,333.30
V Profit/(Loss) Before Tax (III-IV)		1,529.77	1,239.28
VI Tax Expense	19		
1. Current Tax		111.25	11.00
2. Short/Excess Provision of Tax		-	-
3. Deferred Tax (Credit)/Charge		6.84	(2.67)
Total Tax Expenses (VI)		118.09	8.33
VII Profit/(Loss) for the period (V-VI)		1,411.67	1,230.94
VIII Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		2.31	4.07
(ii) Income Tax relating to items that will not be reclassified to statement of profit and loss			
Other Comprehensive Income for the year, net of tax		2.31	4.07
XIV Total comprehensive income for the year		1,413.98	1,235.02
Earnings per Share			
Basic & Diluted	20	9.55	8.33

As per our report of even date

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

Jay Shah
Proprietor
M.No. 134334

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

Place : Mumbai
Date : 29th May, 2023

Statement of Changes in Equity

(All figures are in lakhs unless otherwise stated)

A Equity

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	14,784,000	1,478.40	14,784,000	1,478.40
Changes in equity share capital during the year	-	-	-	-
Balance at the end of Reporting year	14,784,000	1,478.40	14,784,000	1,478.40

B Other Equity

Particulars	Retained Earnings	Securities Premium	General Reserve	Total
Balance as at April 1 2021	3,705.75	1,492.29	567.37	5,765.41
Profit/(Loss) for the year	1,230.94	-	-	1,230.94
Dividend & Dividend Distribution tax	(295.69)	-	-	(295.69)
Less : Transferred to General Reserve	(123.09)		123.09	0.00
Less : Deferred tax liability on above	-	-	-	-
Defined Benefit Obligation	4.07	-	-	4.07
Balance as at 31 March 2022	4,521.99	1,492.29	690.46	6,704.74
Profit/(Loss) for the year	1,411.67	-	-	1,411.67
Dividend & Dividend Distribution tax	(221.76)	-	-	(221.76)
Less : Transferred to General Reserve	-		-	-
Less : Deferred tax liability on above	-	-	-	-
Defined Benefit Obligation	2.31	-	-	2.31
Balance as at 31 March 2023	5,714.22	1,492.29	690.46	7,896.97

The General Reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

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 Financial Year 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.

Retained Earnings represents undistributed accumulated earnings of the Company as on the balance sheet date.

As per our report of even date

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

Jay Shah
Proprietor
M.No. 134334

Place : Mumbai
Date : 29th May, 2023

For and on behalf of the Board of Directors

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

Place : Mumbai
Date : 29th May, 2023

Standalone Cash Flow Statement for the Year ended March 31, 2023

(All amounts are in Rupees lakhs unless otherwise stated)

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

As per our report of even date

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

Jay Shah
Proprietor
M.No. 134334

Place : Mumbai
Date : 29th May, 2023

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
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DIN:00759042

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

Place : Mumbai
Date : 29th May, 2023

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.

(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 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 at least 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 derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(ii) Investments in associates

Investments in associates are carried at cost in the Separate Financial Statements.

j) Revenue Recognition

- 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.

l) 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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

1 Property, Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block Asset Class Wise-2022-23

Tangible Assets

Particulars	Office Premises	Plant & Machinery	Electrical Installation	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost								
As at 1st April 2021	1,133.25	103.17	38.31	118.42	65.02	118.58	145.59	1,722.34
Additions	-	12.14	1.74	17.20	27.54	29.23	-	87.85
Disposals/Adjustments	-	-	1.27	57.31	16.65	86.13	5.98	167.34
As at 31st March 2022	1,133.25	115.31	38.77	78.31	75.90	61.68	139.61	1,642.85
Additions	-	13.77	-	8.86	21.17	23.28	35.56	102.64
Disposals/Adjustments	-	2.98	-	0.17	4.48	-	48.53	56.16
As at 31st March 2023	1,133.25	126.10	38.77	87.00	92.59	84.96	126.63	1,689.34
Depreciation								
As at 1st April 2021	267.86	62.20	30.45	100.40	48.87	96.02	120.04	725.84
Charge for the Year	42.13	9.04	2.30	7.17	14.07	18.92	7.21	100.83
Disposals	-	-	1.21	54.44	15.82	81.81	5.15	158.43
As at 31st March 2022	309.99	71.24	31.54	53.13	47.12	33.14	122.10	668.25
Charge for the Year	40.07	9.51	1.86	6.73	16.12	25.64	10.94	110.88
Disposals	-	0.74	-	0.06	0.21	-	44.62	45.64
As at 31st March 2023	350.06	80.00	33.39	59.80	63.03	58.77	88.43	733.49
Net Block								
As at 31st March 2023	783.19	46.10	5.38	27.20	29.56	26.19	38.21	955.85
As at 31st March 2022	823.26	44.08	7.24	25.17	28.77	28.54	17.51	974.60

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

2 Intangible Asset

Particular	Software
Cost	
As at 1st April 2021	7.79
Additions	10.15
Disposals/Adjustments	-
As at 31st March 2022	17.94
Additions	30.00
Disposals/Adjustments	3.43
As at 31st March 2023	44.51
Depreciation	
As at 1st April 2021	4.58
Charge for the Year	0.97
Disposals	-
As at 31st March 2022	5.55
Charge for the Year	8.20
Disposals	-
As at 31st March 2023	13.75
Net Block	
As at 31st March 2023	30.76
As at 31st March 2022	12.39

3 Intangible Under Development

Period	Software under Development
As at 1st April, 2021	17.13
For the year	-
Expensed Out	9.60
Capitalised	7.53
As at March 31, 2022	-
For the year	-
Expensed Out	-
Capitalised	-
As at 31st March 2023	-

Intangible Under Development ageing schedule as at 31st March 2023

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

Intangible Under Development ageing schedule as at 31st March 2022

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

4 Financial Assets

4.1 A Investments in equity instruments - carried at cost

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
Investments in Subsidiaries	89.49	67.43	-	-
Total	89.49	67.43	-	-

I Details of Investments

Particulars	March 31, 2023		March 31, 2022	
	Nos	Amount	Nos	Amount
A Unquoted				
(Fully paid-up unless otherwise stated)				
In Wholly Owned Subsidiaries				
Equity shares of Aarvi Engineering & Consultants Private Limited of Rs 100 each	20,000	40.12	20,000	40.12
Equity share of Aarvi Encon FZE of UAE Dirham 150000 each	1	27.23	1	27.23
Equity shares of Aarvi Encon Resources Limited, UK of GBP 1 each	100	0.09	100	0.09
Equity shares of Aarvi Encon Staffing Services W.L.L - Qatar of Qatari Riyals 1000 each	98	22.06	-	-
Total		89.49		67.43

4.2 Trade Receivables

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
(Unsecured at Amortised Cost)				
i) Considered good	-	-	8,072.27	7,033.72
ii) Considered doubtful	-	-	21.95	114.95
Less : Expected credit Loss	-	-	(220.72)	(225.09)
	-	-	7,873.50	6,923.58

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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Movement in the expected credit loss allowance

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of the year	225.09	162.43
Impairment loss recognised	95.67	68.63
Amount written off during the year	(100.05)	(5.96)
Provision at the end of the period	220.72	225.09

Ageing of Trade receivables as at 31st March 2023

Particulars	Unbilled/ Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables							
- considered good	6,693.50	1,076.06	115.63	92.06	24.78	70.24	8,072.27
- considered doubtful	-	-	-	-	-	-	-
ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	21.95	21.95
	6,693.50	1,076.06	115.63	92.06	24.78	92.19	8,094.22
Less : Expected credit Loss							220.72
							7,873.50

Ageing of Trade receivables as at 31st March 2022

Particulars	Unbilled/ Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables							
- considered good	5,241.39	1,497.17	126.44	53.87	36.12	78.73	7,033.72
- considered doubtful	-	-	-	-	-	-	-
ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	114.95	114.95
	5,241.39	1,497.17	126.44	53.87	36.12	193.68	7,148.67
Less : Expected credit Loss							225.09
							6,923.58

4.3 Loans and Advances

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
(Unsecured Considered goods)				
i) Rent Deposits	-	-	30.95	24.21
ii) Earnest Money Deposits	92.62	118.76	-	-
iii) Other Security Deposits	2.04	1.94	-	-
iv) Loans to Related Parties	377.96	-	-	-
	472.62	120.70	30.95	24.21

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

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

Company Name	As at	
	March 31, 2023	March 31, 2022
Considered Good		
Aarvi Encon FZE	351.31	-
Aarvi Encon Resources Ltd	26.65	
	377.96	-

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.

4.4 Cash and Bank Balances

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
A Cash and cash equivalents				
i) Balances with banks	-	-	20.36	80.21
ii) Cash on hand	-	-	1.13	1.55
	-	-	21.49	81.76
B Other Bank Balances				
i) Term Deposits with Banks (*)	-	-	227.20	218.98
Total	-	-	227.20	218.98

(*) These are lien and/or pledged against short term credit facilities with banks

4.5 Others

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
Unsecured Considered Good				
i) Contract Asset				
- Security Deposit and Retentions	615.30	647.18	-	-
- Unbilled Revenue	-	-	624.26	700.00
ii) Reimbursement Right for Gratuity-Contract Staff	45.80	162.08	57.40	82.75
iii) Interest Accrued On Deposits	-	-	12.60	9.24
iv) Term Deposits with Banks	768.97	999.92	-	-
v) Other Receivables	-	-	132.34	565.22
	1,430.07	1,809.18	826.60	1,357.22

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

5 Other Assets

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
i) Capital Advances	59.85	59.85	-	-
ii) Prepaid Expenses	-	-	135.38	99.34
iii) Prepaid Taxes (Net of Provision of Tax)	1,744.14	1,311.28	-	-
iv) Advance to suppliers	-	-	28.00	31.18
v) Balances with Tax Authorities	-	-	39.80	18.27
vi) Staff Advances	-	-	22.79	18.39
Total	1,803.98	1,371.13	225.98	167.19

6 Equity Share capital

	As at	
	March 31, 2023	March 31, 2022
i) Authorised shares :		
March 31, 2023 : 2,00,00,000 Equity shares of Rs 10/- each	2,000.00	2,000.00
March 31, 2022: 2,00,00,000 Equity shares of Rs 10/- each		
Total	2,000.00	2,000.00
ii) Issued and subscribed and Paid-up shares :		
March 31, 2023: 1,47,84,000 Equity shares of Rs 10/- each	1,478.40	1,478.40
March 31, 2022 : 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 period

	As at			
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	Number	Amount	Number	Amount
Balance, beginning of the year	14,784,000	1,478.40	14,784,000	1,478.40
Issued during the year	-	-	-	-
Balance, end of the year	14,784,000	1,478.40	14,784,000	1,478.40

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As at			
	March 31, 2023		March 31, 2022	
	Number	%	Number	%
Equity Shares				
Mr. Virendra Dalpatram Sanghavi	7,595,000	51.37%	7,595,000	51.37%
Mr. Jaydev Virendra Sanghavi	2,182,500	14.76%	2,182,500	14.76%
	9,777,500	66.14%	9,777,500	66.14%

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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

e) Shares held by Promoters

Promoter Name	As at 31 March 2023		As at 31 March 2022		% of change during the year
	No of Shares	% of total Shares	No of Shares	% of total Shares	
Mr. Virendra Dalpatram Sanghavi	7,595,000	51.37%	7,595,000	51.37%	0.00%
Mr. Jaydev Virendra Sanghavi	2,182,500	14.76%	2,182,500	14.76%	0.00%
Ms. Naini Kulkarni	651,000	4.40%	651,000	4.40%	0.00%
Mr. Aditya Sanghavi	162,750	1.10%	162,750	1.10%	0.00%
Ms. Ami Sanghavi	271,250	1.83%	271,250	1.83%	0.00%
Total	10,862,500	73.47%	10,862,500	73.47%	0.00%

7 Other Equity

	As at	
	March 31, 2023	March 31, 2022
i) Retained Earnings	5,714.22	4,521.99
ii) Securities Premium Account	1,492.29	1,492.29
iii) General Reserve	690.46	690.46
	7,896.97	6,704.74

8 Financial Liabilities (at amortized cost)

	As at	
	March 31, 2023	March 31, 2022
8.1 Short Term Borrowings (at amortised cost)		
(Secured)		
Cash Credit Facility	340.30	643.03
Total	340.30	643.03

Breakup of Cash Credit Facilities	As at	
	March 31, 2023	March 31, 2022
HSBC Bank Limited	10.53	293.02
Yes Bank Limited	306.86	350.01
HDFC Bank Limited	22.90	-
Total	340.30	643.03

Security for loans and Terms of payment

In respect of Cash Credit, working capital demand loan and Bank guarantees from HSBC Bank Limited

- Pari Passu charge on Current Assets and fixed assets.
- Exclusive Charge over Property situated at Office no. 901, 9th floor, B2, Marathon Nextgen Innova, Lower Parel, Mumbai 400013.
- Personal Guarantee from Mr. Jaydev Sanghavi and Mr. Virendra Sanghavi
- 15% Deposits under lien

In respect of Cash Credit, working capital demand loan and Bank guarantees from Yes Bank Limited

- Pari Passu charge with HDFC Bank and HSBC on Current Assets and 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 lakhs in the form of fixed deposit receipt placed under bank lien.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

In respect of Cash Credit, working capital demand loan and Bank guarantees from HDFC Bank Limited

- First charge on Pari Passu basis with HSBC and Yes Bank by the way of Hypothecation on all present and future book debts of the Company.
- Fixed Deposit of Rs. 382.59 lakhs under lien
- Exclusive charge on Flat No 11 & 11A, Building O, 4th Floor, Konark Campus Co-operative Housing Society, Lohegaon Village, Taluka Haveli, Pune.

8.2 Trade Payables (at amortised cost)

	As at	
	March 31, 2023	March 31, 2022
i) Trade payables - Micro, small and medium enterprises	-	-
ii) Trade payables - Others	623.53	563.88
Total	623.53	563.88

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.

Trade Payables aging schedule as at 31st March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Payables					-
MSME					-
Others	516.36	105.60	1.57	-	623.53
ii) Disputed Trade Payables					-
MSME					-
Others					-
Total	516.36	105.60	1.57	-	623.53

Trade Payables aging schedule as at 31st March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Payables					-
MSME					-
Others	562.25	1.51	0.13		563.88
ii) Disputed Trade Payables					-
MSME					-
Others					-
Total	562.25	1.51	0.13	-	563.88

8.3 Other Financial Liabilities (At Amortised Cost)

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
i) Advance from Customers	-	-	-	-
ii) Employee Liabilities	-	-	2,015.78	2,341.54
iii) Employee Benefit Liability-Contract Staff	45.80	162.08	57.40	82.75
iv) Others	-	-	30.12	12.98
	45.80	162.08	2,103.30	2,437.27

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

9 Deferred Tax Liability

	As at	
	March 31, 2023	March 31, 2022
a) Deferred Tax Liability on account of :		
i) Depreciation due to timing difference	49.82	47.73
b) Deferred Tax Asset on account of :		
i) Employee Benefits	12.76	17.51
ii) Right of Use Asset	-	-
	37.06	30.22

10 Other Liabilities

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
i) Duties and Taxes payable	-	-	1,453.30	1,104.00
Total	-	-	1,453.30	1,104.00

11 Provisions

	As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Non- Current		Current	
i) Provision for Employee Benefits				
Provision for Gratuity	-	-	9.85	4.75
	-	-	9.85	4.75

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.

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, 2023	As on March 31, 2023
(a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	101.93	92.09
Current Service Cost	12.52	11.49
Interest Cost	6.32	5.67
Actuarial (Gain) /Loss-Other Comprehensive Income	(5.66)	(4.00)
Benefits paid	(6.84)	(3.32)
Defined Benefit obligation at the year end	108.26	101.93

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Particulars	As on March 31, 2023	As on March 31, 2023
(b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	97.18	94.26
Adjustment to the Opening fund	-	-
Expected return on Plan Assets	(3.35)	0.08
Interest Income	6.42	6.17
Employer Contribution	5.00	-
Benefits Paid	(6.84)	(3.32)
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	98.41	97.18
(c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	98.41	97.18
Present value of Defined Benefit obligation	108.26	101.93
Liability recognized in Balance Sheet	9.85	4.75
(d) Expenses recognized during the year (Under the head Employees Benefit Expenses)		
Current Service Cost	12.52	11.49
Interest Cost	6.32	5.67
Expected Rate of return on Plan Assets	(3.35)	0.08
Net Cost	15.48	17.23
(e) Actuarial (Gain)/Loss- Other Comprehensive Income	(2.31)	(4.07)
(f) Net liabilities(Asset) recognised in the balance sheet		
Long-term provisions	9.85	4.75
Short-term provisions/(Loans and Advances)	(0.00)	(0.00)
	9.85	4.75
ii) Actuarial Assumptions		
Particulars	As on March 31, 2023	As on March 31, 2022
Discount rate (per annum)	7.40%	6.80%
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)	7.40%	6.80%

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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption			
March 31, 2023	0.50%	0.50%	10.00%
March 31, 2022	0.50%	0.50%	10.00%
Increase in assumption			
March 31, 2023	(104.96)	111.07	108.58
March 31, 2022	(98.69)	104.78	102.01
Decrease in assumption			
March 31, 2023	111.76	(105.39)	(107.89)
March 31, 2022	105.38	(99.12)	(101.83)

(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 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.

12 Current Tax Liabilities (Net)

	As at March 31, 2023	As at March 31, 2022
a) Provision for Tax (Net of Taxes Paid)	-	-
	-	-

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

13 Revenue from Operations

	Year Ended March 2023	Year Ended March 2022
i) Revenue from Manpower Services		
Supply of Manpower and Consultancy Fees	37,616.36	26,943.84
ii) Other Operating Revenue	653.12	507.55
	38,269.49	27,451.40

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	2022-23	2021-22
Manpower Supply and Consultancy Fees	37,616.36	26,943.84
Reimbursement Income for Services Provided	653.12	507.55
	38,269.49	27,451.40

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

Customer Type	2022-23	2021-22
Government Companies	8,810.47	9,607.99
Non Government Companies	29,448.76	17,843.41
	38,259.23	27,451.40

(iii) Movement in Contract Balances

Particulars	Opening	Billed for the Financial Year	Addition during the year	Closing
Advance from Customers				
March 2023	-	-	-	-
March 2022	-	-	-	-

Particulars	Opening	Billed/ Reversed for the Financial Year	Addition during the year	Closing
Unbilled Revenue				
March 2023	700.00	700.00	624.26	624.26
March 2022	664.00	664.00	700.00	700.00

(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.

14 Other Income

	Year Ended March 2023	Year Ended March 2022
i) Interest Income on Fixed Deposits	75.85	100.86
ii) Interest Income on Loans and Advances	30.13	5.51
iii) Profit on Sale of Property, Plant and Equipment	4.48	-
iv) Foreign Exchange Gain	24.26	-
v) Miscellaneous Income	26.26	14.81
	160.98	121.18

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

15 Employee Benefit Expenses

	Year Ended March 2023	Year Ended March 2022
i) Salaries & Wages, Bonus, Perquisites, etc	26,980.59	19,812.99
ii) Contribution to Provident, Gratuity funds	1,312.29	1,150.37
iii) Managerial Remuneration	336.00	336.00
iv) Staff Insurance	200.48	173.73
v) Staff Welfare	28.82	26.22
	28,858.18	21,499.32

16 Finance Cost

	Year Ended March 2023	Year Ended March 2022
i) Interest on Borrowings	171.31	68.58
ii) Interest on Indirect Taxes	4.59	4.55
	175.90	73.13

17 Depreciation and Amortization

	Year Ended March 2023	Year Ended March 2022
i) Depreciation on Property, Plant & Equipment	119.07	101.80
Total	119.07	101.80

18 Other expenses

	Year Ended March 2023	Year Ended March 2022
Assets Scrapped	3.43	-
Auditors Remuneration	12.20	14.90
Director's Sitting Fees	7.33	3.00
Travelling Expenses	531.24	475.45
Expected Credit Loss	95.67	68.63
Site related Expenses	892.80	742.18
Consumables purchased	188.38	151.09
Professional Fees - Project	4,808.88	2,050.40
Rates and Taxes	1.40	3.72
Power and Fuel	62.36	15.18
Rent	180.08	122.26
Membership & Subscription	36.58	8.33
Health and Safety Expenses	106.08	112.53
Housekeeping Expenses	27.77	10.49
Insurance Charges	4.78	8.73
Advertisement Expenses	17.70	26.04
Donation	11.99	2.76
Motor Car Expenses	6.86	8.64
Food and Accommodation Expenses	395.12	474.74
Printing and Stationery Expenses	26.61	17.91
Legal & Professional Charges	105.73	97.48
Business Promotion Expenses	12.72	9.50
Telephone Charges	25.02	19.93
Bank Charges	36.21	50.54
Corporate Social Responsibility Expenses	16.94	9.33
Water Charges	7.44	6.58
Repairs and Maintenance Expenses	20.65	15.30

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

	Year Ended March 2023	Year Ended March 2022
Office Maintenance Expenses	11.74	10.88
Loss on disposal of Fixed Assets	-	16.79
Foreign exchange loss	-	0.09
Other Expenses (None of which individually forms more than 1% of the Operating Revenue)	93.86	105.64
Total	7,747.55	4,659.05

a) Payment to auditors	Year Ended March 2023	Year Ended March 2022
Audit fee	10.10	9.75
Tax Matters	2.10	3.10
Others	-	2.05
Total payments to auditors	12.20	14.90

19 Tax Expense

	Year Ended March 2023	Year Ended March 2022
a) Income tax expense in the statement of profit and loss consists of:		
Current Tax	111.25	11.00
Short/Excess Provision of Tax	-	-
Minimum alternative tax entitlement	-	-
Deferred Tax	6.84	(2.67)
Income tax recognised in statement of profit or loss	118.09	8.33

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 2023	Year Ended March 2022
A Current Tax		
Accounting Profit Before Income Tax	1,529.77	1,239.28
Enacted tax rates in India (%)	25.168%	25.168%
Computed expected tax expenses	385.01	311.90
Effect of non- deductible expenses	84.48	100.49
Effects of deductible Expenses	(358.24)	(401.39)
Income tax expenses - Net	111.25	11.00
Tax liability as per Minimum Alternate Tax on book profits		
Minimum Alternate Tax rate	0.00%	0.00%
Computed tax liability on book profits	-	-
Tax effect on adjustments:		
1/5 portion of Opening IND AS Reserve as on April 1, 2018	-	-
Effect of non deductible expense	-	-
Differential MAT Provided in Subsequent year	-	-
Minimum Alternate Tax on Book Profit	-	-
Higher of A or B	111.25	11.00

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 last year.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

B Deferred Tax

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

Particulars	Opening	Recognised in P&L	Recognised in OCI	Closing
As at April 1, 2021	30.38	2.50	-	32.89
Property, Plant and Equipment	43.91	3.82		47.73
Employee benefits	(11.02)	(6.49)		(17.51)
Right of Use Asset	-			-
As at March 31, 2022	32.89	(2.67)	-	30.22
Property, Plant and Equipment	47.73	2.09		49.82
Employee benefits	(17.51)	4.75		(12.76)
Right of Use Asset	-			-
As at March 31, 2023	30.22	6.84	-	37.06

20 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 2023	Year Ended March 2022
Net Profit / (Loss) as per Statement of Profit and Loss	1,411.67	1,230.94
Outstanding equity shares at period end - Nos	14,784,000	14,784,000
Weighted average Number of Shares outstanding during the period – Basic	14,784,000	14,784,000
Weighted average Number of Shares outstanding during the period - Diluted	14,784,000	14,784,000
Earnings per Share - Basic (Rs.)	9.55	8.33
Earnings per Share - Diluted (Rs.)	9.55	8.33

Reconciliation of weighted number of outstanding during the period:

Particulars	Year Ended March 2023	Year Ended March 2022
Nominal Value of Equity Shares (Rs per share)	10	10
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	14,784,000	14,784,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	14,784,000	14,784,000
Weighted average number of equity shares at the end of the period	14,784,000	14,784,000
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	14,784,000	14,784,000
Weighted average number of equity shares used in calculating diluted EPS	14,784,000	14,784,000

21 Contingent Liabilities

Particulars	March 31, 2023	March 31, 2022
Bank Guarantees	1,543.60	1,557.99
Total	1,543.60	1,557.99

22 Commitments

Particulars	March 31, 2023	March 31, 2022
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)	-	-
Total	-	-

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

23 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 17% of the total revenue earned during the year ended March 31,2023 (March 31,2022:Top 1 customers accounted for 14% 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.

24 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
Aarvi Encon Staffing Services, Qatar (Joint Venture)
PT Aarvi Encon Services, Indonesia (Step down subsidiary)
Aarvi Encon LLC, Oman (Step down subsidiary)

ii Key Management Personnel

Mr. Virendra Sanghavi, Managing Director
Mr. Jaydev Sanghavi, Executive Director & CFO
Ms Leela S. Bisht, Company Secretary & Compliance Officer

iii Entities significantly influenced or controlled by Key Management Personnel or their relatives

Eneryjobz Services Private Limited
Aarvi Encon Employees Group Gratuity Fund

iv Relatives of Key Management Personnel

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)
Ms. Nirali J. Sanghavi (Daughter 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)
Ms Leela Bisht	-	5.39	-	5.39
	-	(4.45)	-	(4.45)
Mr. Jay Shah	-	-	-	-
	-	-	-	-

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Rent				
Ms. Nirali J. Sanghavi			4.20	4.20
			(3.85)	(3.85)
Salaries and wages				
Mrs. Naini N. Kulkarni	-	-	27.14	27.14
	-	-	(23.89)	(23.89)
Mrs. Ami J. Sanghavi	-	-	9.49	9.49
	-	-	(8.19)	(8.19)
Mr. Aditya Sanghavi	-	-	5.20	5.20
	-	-	(2.70)	(2.70)
Interest income				
Aarvi Encon FZE	29.02	-	-	29.02
	(4.87)	-	-	(4.87)
Aarvi Encon Resources Ltd - UK	0.86	-	-	0.86
	-	-	-	-
Loan Given				
Aarvi Encon FZE	351.31	-	-	351.31
	-	-	-	-
Aarvi Encon Resources Ltd - UK	26.65	-	-	26.65
	-	-	-	-
Investment in Equity Share Capital				
Aarvi Encon Staffing Services - Qatar	22.06	-	-	22.06
	-	-	-	-
Reimbursement of Expenses				
Aarvi Encon Resources Ltd - UK	0.05	-	-	0.05
	(0.43)	-	-	(0.43)
Aarvi Encon Staffing Services - Qatar	9.42	-	-	9.42
	(8.05)	-	-	(8.05)
Professional Fees Paid				
Aarvi IT services	-	-	-	-
	-	-	(0.48)	(0.48)
Director sitting fees				
Mr. Devendra J Shrimanker, Independent Director	-	2.35	-	2.35
	-	(0.95)	-	(0.95)
Mrs. Sonal N Doshi, Independent Director	-	2.43	-	2.43
	-	(1.05)	-	(1.05)
Mrs. Padma V Devarajan, Independent Director	-	1.80	-	1.80
	-	(0.75)	-	(0.75)
Mr. Sharad Sanghi, Independent Director	-	0.35	-	0.35
	-	(0.25)	-	(0.25)
Mr. Ramamoorthy Ramachandran, Independent Director	-	0.40	-	0.40
	-	-	-	-
Dividend paid				
Mr. Virendra Sanghavi	-	113.93	-	113.93
	-	(151.90)	-	(151.90)
Mr. Jaydev Sanghavi	-	32.74	-	32.74
	-	(43.65)	-	(43.65)

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Mrs. Ami Jaydev Sanghavi	-	-	4.07	4.07
	-	-	(5.43)	(5.43)
Mr. Aditya Jaydev Sanghavi	-	-	2.44	2.44
	-	-	(3.26)	(3.26)
Mrs. Naini Ninad Kulkarni	-	-	9.77	9.77
	-	-	(10.85)	(10.85)
Mr. Ninad V. Kulkarni	-	-	-	-
	-	-	(2.17)	(2.17)
Balances outstanding at the end of the year				
Loans and advances				
Aarvi Encon FZE	351.31	-	-	351.31
	-	-	-	-
Aarvi Encon Resources Ltd - UK	26.65	-	-	26.65
	-	-	-	-
Reimbursement of Expenses				
Aarvi Encon Resources Ltd - UK	0.48			0.48
	(0.43)			(0.43)
Aarvi Encon Staffing Services - Qatar	18.20			18.20
	(8.05)			(8.05)
Rent Deposit				
Mr. Virendra Sanghavi	-	0.70	-	0.70
	-	(0.70)	-	(0.70)
Outstanding				
Mr. Virendra Sanghavi	-	55.53	-	55.53
	-	(58.92)	-	(58.92)
Mr. Jaydev Sanghavi	-	80.85	-	80.85
	-	(80.37)	-	(80.37)
Mrs. Naini N. Kulkarni	-	-	1.65	1.65
	-	-	(1.75)	(1.75)
Mrs. Ami J. Sanghavi	-	-	0.70	0.70
	-	-	(0.61)	(0.61)
Mr. Aditya J. Sanghavi	-	-	0.40	0.40
	-	-	(0.28)	(0.28)
Ms Nirali J. Sanghavi	-	-	0.31	0.31
	-	-	(0.31)	(0.31)

Figures above do not include IND AS Adjustments

For KMP 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, 2023

(All figures are in Lakhs unless otherwise stated)

25 Corporate Social Responsibility

For 2022-23

- Gross amount required to be spent by the Company during the year : Rs. 16.35 Lacs
- Excess amount spent for the Financial Year 21-22 (Amount Allowed to be set off against CSR Expenditure of the Current Year) : Rs 5.86 Lacs
- Amount to be spent in F.Y. 2022-23 : Rs 10.49 Lacs
- Actual 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.	16.94	-	16.94
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	16.94	-	16.94

For 2021-22

- Gross amount required to be spent by the Company during the year : Rs. 13.00 Lacs
- Excess amount spent for the Financial Year 2020-21 (Amount Allowed to be set off against CSR Expenditure of the Current Year) : Rs 9.53 Lacs
- Amount to be spent in F.Y. 2021-22 : Rs 3.47 Lacs
- Actual 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.	9.33	-	9.33
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	9.33	-	9.33

26 Derivative Instruments and Unhedged Foreign Currency Exposure

- There are no derivative instruments outstanding as at March 31, 2023 and March 31, 2022.
- Unhedged foreign currency exposure towards receivables outstanding as at March 31, 2023 and March 31, 2022 is as under:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables				
a) USD	-	-	0.03	2.53

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

27 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.

28 Financial Instruments

- i) The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 is as follows:

	Carrying Value		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
a) Financial Assets				
Amortised Cost				
Trade Receivable	7,873.50	6,923.58	7,873.50	6,923.58
Loans and Advances	503.57	144.91	503.57	144.91
Cash and cash equivalents	21.49	81.76	21.49	81.76
Other Bank balances	227.20	218.98	227.20	218.98
Other	2,256.67	3,166.40	2,256.67	3,166.40
Total Financial Assets	10,882.43	10,535.62	10,882.43	10,535.62
b) Financial Liabilities				
Amortised Cost				
Borrowings	340.30	643.03	340.30	643.03
Lease Liability	-	-	-	-
Trade payables	623.53	563.88	623.53	563.88
Others	2,149.10	2,599.35	2,149.10	2,599.35
Total Financial Liabilities	3,112.92	3,806.26	3,112.92	3,806.26

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.

29 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.

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

30 Financial risk factors

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables, investments and other financial instruments.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities.

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risks include trade receivable and trade payable.

i. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

ii. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company does not have significant foreign currency exposure and hence is not exposed to any significant foreign currency risks.

The Working Capital Position of the Company is given below:

	March 31, 2023	March 31, 2022
Current Assets		
Trade receivable	7,873.50	6,923.58
Cash and Cash Equivalent	21.49	81.76
Bank Balance	227.20	218.98
Loans and Advances	30.95	24.21
Other Financial Asset	826.60	1,357.22
Other Current Assets	225.98	167.19
Total	9,205.72	8,772.93
Less:		
Current Liabilities		
Borrowings	340.30	643.03
Trade Payables	623.53	563.88
Others	3,566.45	3,546.01
Total	4,530.27	4,752.92
Net Working Capital	4,675.45	4,020.00

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

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, 2023			
Borrowings	340.30	-	340.30
Trade Payables	623.53	-	623.53
Other Financial Liabilities	2,103.30	45.80	2,149.10
Total	3,067.12	45.80	3,112.92
As at March 31, 2022			
Borrowings	643.03	-	643.03
Trade Payables	563.88	-	563.88
Other Financial Liabilities	2,437.27	162.08	2,599.35
Total	3,644.18	162.08	3,806.26

31 Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, short term borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2023	March 31, 2022
Gross Debt	340.30	643.03
Less:		
Cash and Cash Equivalent	21.49	81.76
Other Bank Balances	227.20	218.98
Net debt (A)	91.61	342.29
Total Equity (B)	9,375.37	8,183.14
Gearing ratio (A/B)	0.01	0.04

32 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, 2023.

33 Transactions with companies struck off

There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

34 Financial Ratios

Particulars	March 31, 2023	March 31, 2022
a) Current ratio		
Current Assets	9,205.72	8,772.93
Current Liabilities	4,530.27	4,752.92
Current ratio	2.03	1.85
b) Debt-Equity ratio		
Debt	340.30	643.03
Equity	9,375.37	8,183.14
Debt-Equity ratio	0.04	0.08

Notes to financial statements as at and for the year ended March 31, 2023

(All figures are in Lakhs unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
c) Debt service coverage ratio		
EBIDTA	1,824.74	1,414.20
Debt service	171.31	68.58
Debt service coverage ratio	10.65	20.62
d) Return on equity ratio		
Net Profits after taxes	1,411.67	1,230.94
Average Shareholder's Equity	8,779.25	7,713.48
Return on equity ratio	0.16	0.16
e) Inventory turnover ratio		
sales	Not applicable	Not applicable
Average Inventory	Not applicable	Not applicable
Inventory turnover ratio	Not applicable	Not applicable
f) Trade receivables turnover ratio		
Net Credit Sales	38,269.49	27,451.40
Average Accounts Receivable	7,398.54	5,897.69
Trade receivables turnover ratio	5.17	4.65
g) Trade payables turnover ratio		
Net Credit Purchases	Not applicable	Not applicable
Average Trade Payables	Not applicable	Not applicable
Trade payables turnover ratio	Not applicable	Not applicable
h) Net capital turnover ratio		
Net Sales	38,269.49	27,451.40
Working Capital	4,675.45	4,020.00
Net capital turnover ratio	8.19	6.83
i) Net profit ratio		
Net Profit	1,411.67	1,230.94
Net Sales	38,269.49	27,451.40
Net profit ratio	3.69%	4.48%
j) Return on capital employed		
Earning before interest and taxes	1,705.67	1,312.41
Capital Employed	9,752.73	8,856.38
Return on capital employed	17.49%	14.82%
k) Return on investment		
Net Profit	1,411.67	1,230.94
Net Investment	9,715.66	8,826.17
Return on investment	14.53%	13.95%

35 The figures for the previous year are re-arranged/ re-grouped, wherever necessary.

As per our report of even date

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

Jay Shah
Proprietor
M.No. 134334

Place : Mumbai
Date : 29th May, 2023

For and on behalf of the Board of Directors

Virendra D. Sanghavi
Managing Director
DIN:00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

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

Place : Mumbai
Date : 29th May, 2023



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