



ARAVALI SECURITIES & FINANCE LTD.

Registered office: Institutional Area, Plot no. 39,
Sector 44, Gurgaon-122003, Haryana

NOTICE

Notice is hereby given that the 35th Annual General Meeting of the members of Aravali Securities & Finance Limited will be held on Monday, the 29th day of June, 2015, at 10.00 a.m. at Institutional Area, Plot no. 39, Sector 44, Gurgaon-122003, Haryana to transact the following business.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2015, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mrs. Malvika Poddar (DIN:00457245), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as ordinary resolution:

“RESOLVED THAT M/s. Salarpuria & Partners, Chartered Accountants, New Delhi, (Firm Registration No. 302113E), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. To appoint Mr. Suresh Kumar Lakhotia (DIN: 00450723), as an Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Suresh Kumar Lakhotia (DIN: 00450723), who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company in the calendar year 2020.”

5. To approve transaction with related party and to consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment, consent of the members of the Company be and is hereby accorded for sale of 15,33,333 equity shares of Rs. 10 each of Boutique Hotels India Private Limited held by the Company to Mrs. Chandra Lekha Poddar (a related party) at Rs. 27.10 per equity share, amounting to Rs. 4,15,53,324 (Four Crore Fifteen Lakh Fifty Three Thousand Three Hundred Twenty Four only).

RESOLVED FURTHER THAT the Board of Directors, be and is hereby, authorized to do all such acts, deeds and things as may be required including authorising directors, employees or representatives for signing and submitting of papers, deeds, documents which may be required to give effect to the above resolution.”

6. To approve transaction with related party and to consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment, consent of the members of the Company be and is hereby accorded for sale of 7200 equity shares of Rs. 10 each of Carma Arts & Crafts Private Limited by the Company to Mrs. Chandra Lekha Poddar (a related party) at Rs. 1300 per equity share, amounting to Rs. 93,60,000 (Ninety Three Lakh Sixty Thousand only).

RESOLVED FURTHER THAT the Board of Directors, be and is hereby, authorized to do all such acts, deeds and things as may be required including authorising directors, employees or representatives for signing and submitting of papers, deeds, documents which may be required to give effect to the above resolution."

Date: 21st May, 2015

By Order of the Board of Directors

Sd/-
Anuradha Rawat
Company Secretary
(ACS-28185)



NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself. The proxy need not be a member. The instrument appointing proxy should however be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect to Item no. 4 to 6 of the notice, is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 25th day of June, 2015 to Monday, the 29th day of June, 2015 (both days inclusive).
5. Members/Proxies should bring the admission slip duly filled in for attending the Meeting along with their copy of the report and financial statement.
6. Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
7. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of Company on all working days between 11.00 a.m to 1.00 p.m upto the date of Annual General Meeting.
8. The Company has entered into agreement with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), for the dematerialisation of securities. The Shareholders can have their shares dematerialised through these depositories.

(Members desiring to have their shares in dematerialised form may send their share certificates through their depository participants, to the Registrar & Share Transfer Agent of the Company namely Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor Okhla Industrial Area, Phase-I, New Delhi-110 020 Tel. No. 011-26812682,83).
9. Individual members holding shares in physical form on their own behalf singly or jointly can make nomination for their holding. The nomination form will be made available on request. The members holding shares in dematerialised form may contact their depository participants for recording of the nomination for their holding.
10. Members holding shares in the same name(s) under different folio(s) are requested to apply for consolidation of such folios by sending relevant share certificates.
11. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
12. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide Circular dated 21st April, 2011. Accordingly, if the service of documents made through electronic mode will be deemed as sufficient compliance for the purposes of Section 20 of the Companies Act, 2013.

To support the Green Initiative of the Government, it is proposed to send all shareholders communications including Notices, Annual Reports and other communications through Email. For above purpose, we request you to send Email confirmation to our Registrar & Transfer Agent (RTA) mentioning your name, DP/Customer ID of Folio number and your Email ID for communication and also inform any changes in the email addresses.

13. Remote e-voting facility

The Company has also provided remote e-voting facility to its members to enable them to exercise their right to vote at the 35th AGM through electronic means. The Company has engaged National Securities Depository Limited (“NSDL”) to provide remote e-voting facility to the members of the Company.

The instructions for remote e-voting are as under:

- A. In case a member receives e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depository Participants), the member should open the PDF file attached with the e-mail. The said PDF file contains his/ her user ID and password for e-voting. Please note that the password is an initial password.
- B. In case a member receives AGM Notice in physical form (for Members whose email addresses are not registered with the Company/Depository Participants), the user ID and initial password for remote e-voting is provided on the covering letter enclosed with the Annual Report.
- C. The following steps should be followed for casting the vote through remote e-voting (In both the cases mentioned at Sr. No. 13 (A) & 13 (B) above):
 - i) Open the internet browser and type the following URL: <https://www.evoting.nsd.com>
 - ii) Click on Shareholder – Login.
 - iii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - iv) If you are logging in for the first time, please enter the user ID and password provided through e-mail (as per Sr. No. 13 (A) above) or in physical form (as per Sr. No. 13 (B) above), as the case may be.
 - v) The password change menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please keep your password confidential.
 - vi) Home page of remote e-voting opens. Click on remote e-voting> Active Voting Cycles.
 - vii) Select “EVEN” (E-Voting Event Number) of Aravali Securities & Finance Limited for the purpose of voting in AGM (as mentioned in the covering letter enclosed with the Annual Report). Now you are ready for remote e-voting as Cast Vote page opens.
 - viii) The voting rights of the shareholders shall be reckoned in proportion to their shares in the total paid up equity share capital of the Company as on June 19, 2015.
 - ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xi) You can similarly vote in respect of all the resolutions forming part of the Notice of AGM. The members can login any number of times during the voting period, till they have voted on all the resolutions.
 - xii) Once the vote on the resolution is cast, the member shall not be allowed to change it subsequently.
 - xiii) Corporate/ Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF format) of the Board Resolution/Authority letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer through e-mail at kumarcs7@gmail.com with a copy marked to evoting@nsdl.co.in
- D. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- E. The Company has appointed Mr. Nitesh Kumar Sinha, Practicing Company Secretary (Membership No. FCS 7536) as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- F. The remote e-voting period shall commence on Friday, June 26, 2015 (9:00 a.m.) and ends on Sunday, June 28, 2015 (5:00 p.m.). The remote e-voting module shall be disabled by NSDL for voting thereafter.
- G. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for Shareholders, available at the downloads section of www.evoting.nsd.com
- H. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).



- I. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th June, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- J. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting /voting at the AGM through ballot paper.
- K. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- L. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- M. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.aravalisecurities.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.
14. Additional information required to be furnished under clause 49 of the listing agreement in respect of directors seeking appointment / re-appointment:

Name of Director	Mrs. Malvika Poddar	Mr. Suresh Kumar Lakhotia
Directors Identification Number	00457245	00450723
Date of Birth	13.07.1972	25.02.1944
Date of Appointment	13.08.2014	Will be appointed as Independent Director in the Annual General be held Meeting to on 29.06.2015
Qualification	BBA from London	Graduation in Commerce
Expertise in specific functional area	Well experienced and possess expertise in the business.	Entrepreneurship qualities and vast experience in the accounting field
Shareholding in Aravali Securities & Finance Ltd.	Nil	Nil
Directorship in other Companies	Motto Investment Pvt. Ltd. Carma Arts & Crafts Pvt. Ltd. Carma Creative Pvt. Ltd.	Amer Investments (Delhi) Limited
Committee position held in other Companies	Nil	Nil

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

FOR ITEM NO. 4

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Mr. Suresh Kumar Lakhotia, has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as independent director and he is independent of the management.

Mr. Suresh Kumar Lakhotia is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director.

The Company has received notice in writing from him along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the director as Independent Director is now being placed before the members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the members at the registered office of the Company during normal business hours on any working day, excluding Saturday.

Save and except Mr. Suresh Kumar Lakhotia, the appointee, none of the Directors or key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the resolution set out at Item no. 4.

The Board of Directors recommends the said resolution for your approval.

Brief resume and other details of the Independent Director whose appointment is proposed are provided in the notes to the notice of Annual General Meeting attached herewith.

FOR ITEM NO. 5 AND 6:

With a view to repay the outstanding debts and other liabilities of the Company, it was considered essential to sell the investment in equity shares held in Boutique Hotels India Private Limited and Carma Arts & Crafts Private Limited.

The Company sold 15,33,333 equity shares of Boutique Hotels India Private Limited for Rs. 27.10 per equity share amounting to Rs. 4,15,53,324 on 31.03.2015 and 7,200 equity shares of Carma Arts & Crafts Private Limited for Rs. 1300 per equity share amounting to Rs. 93,60,000 on 28.04.2015.

Members are hereby informed that pursuant to second proviso of Section 188(1) of the Companies Act, 2013, no member of the Company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The Board of Directors of your Company has approved these items in the Board Meeting held on 30th March, 2015 and recommends the resolutions as set out in the accompanying notice for the approval of members of the Company as special resolutions.

Except Mr. Ranjan Kumar Poddar, Mr. Devashish Poddar and Mrs. Malvika Poddar, no other director or key managerial personnel are concerned or interested in the resolutions.

The Board of Directors recommends the said resolutions for your approval.

Date: 21st May, 2015

By Order of the Board of Directors

Sd/-
Anuradha Rawat
Company Secretary
(ACS-28185)



ARAVALI SECURITIES & FINANCE LTD.

Registered office: Institutional Area, Plot no. 39,
Sector 44, Gurgaon-122003, Haryana

DIRECTORS' REPORT

To the Members
Aravali Securities & Finance Limited

Your Directors take the pleasure in presenting their Report and Audited Financial Statement of the Company along with Auditors' Report thereon for the year ended 31st March, 2015.

(Rs. in Lakh)

	<u>2014-15</u>	<u>2013-14</u>
WORKING RESULTS		
Profit/(Loss) before interest, depreciation and taxes	(112.58)	175.82
Less : Interest	166.55	152.28
Profit/(Loss) before depreciation, NPA's and Taxes	(279.13)	23.54
Less : Depreciation	10.70	6.62
Profit/(Loss) Before Taxation	(289.83)	16.92
Less : Provision for Income Tax		
Current Tax	-	5.23
Deferred Tax	-	156.98
In respect of earlier years	1.37	0.05
Profit/ (Loss) after Taxation	(291.19)	(145.34)
Add: Balance brought forward from previous year	(311.96)	(166.62)
Less: Adjustment relating to Fixed Assets	3.71	-
CLOSING BALANCE	(606.86)	(311.96)

DIVIDEND

Your directors are not recommending any payment on account of dividend.

MANAGEMENT DISCUSSION AND ANALYSIS

A. FINANCIAL REVIEW

Your Company has a loss of Rs. 289.83 lakh after depreciation and interest. Further, a provision for income tax in respect of earlier years of Rs. 1.36 lakh has been made in the accounts. The loss of Rs. 606.86 lakh including brought forward loss of Rs. 311.96 lakh has been carried to the Balance Sheet.

B. RESOURCES AND LIQUIDITY

The Company, as in the past, is not relying on any borrowing except unsecured loans to fund its activities.

C. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Non Banking Financial Companies (NBFC) sector is still struggling for its growth in India. The NBFC sector is doing much better all over the world as compared to Asian Countries as the general perception about NBFC in the mind of public is still hazy. Other reason may be the excess regulatory requirements by the Reserve Bank of India which constituted a hurdle for its growth in India. Except few NBFC's no other company is working well. This has created a very discouraging situation for the remaining NBFC who have no option except to diversify from its business of financing. Entrance of banks in consumer durable financing as well as in housing finance has brought forth a huge competition and has also added to worst scenario for the NBFC's. This has virtually put a stop on private financing and most of the Non-Banking Finance Companies are out of this business.

D. BUSINESS OVERVIEW

Your company being classified as an Investment Company is doing long term and short term investments. No further opportunity has come to diversify the business of the Company as business of financing is no more lucrative. However your board is in constant look out for the new business avenues which can be taken with the existing business.

E. OPPORTUNITIES AND THREATS

Due to recession all over the world, the Indian economy, though not affected substantially, has suffered and the opportunities have become limited in all sphere of businesses. The financial market has suffered a lot and the business for NBFC's have further reduced. This did not discourage the board of directors of your Company who are constantly looking for an opportunity to expand the business of the Company.

Your Company being in the financial services sector is facing a very stiff competition from public sector as well as private sector banks and financial institutions. It is trying to cope up with the same but is finding it difficult to match up with them in expertise as well as finances available. However, the Company is trying its level best to achieve the same level of competence to meet the challenges thrown in this sector.

F. OUTLOOK

Your Company is still in the process of consolidation and has not decided to enter into new field. It is exploring various business opportunities but nothing concrete has been derived. Barring unforeseen circumstances your directors hope to find some concrete business opportunity to expand the business of the Company.

G. RISK AND CONCERN

Your Company at present is exposed to the normal industry risk factor of volatility in interest rate, economic cycle and credit risk. It has not yet decided its future course of activities. The impact of new activity, as and when decided, will be known in the future.

H. ADEQUACY OF INTERNAL CONTROL

The established Internal Control Systems of your Company are adequate to ensure that all the activities are monitored and controlled against any misuse or misappropriation of asset and that the transactions are authorized, recorded and reported correctly. More so, these internal control systems are regularly monitored by the audit committee of your Company and are improved upon on regular basis.

FIXED DEPOSITS:

Your Company does not accept fixed deposits from public and to this effect an undertaking is given to the Reserve Bank of India.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Gautam Khaitan, Non-executive Director of the Company and Mr. R. A. Kila, Independent Director of the Company resigned as directors of the Company w.e.f. 23.07.2014 and 26.12.2014 respectively due to their personal reasons.

As per Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Suresh Kumar Lakhota (DIN:00450723), as Independent Director of the Company for 5 (five) consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company in the calendar year 2020.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Malvika Poddar (DIN:00457245), Director of the Company retire by rotation and being eligible offer herself for re-appointment.

The Company received declaration made by the independent directors of the Company that they fulfill the criteria given under Section 149(6) of the Companies Act, 2013 and other applicable provisions.

The Nomination & Remuneration Committee (NRC) shall evaluate the performance of each Director of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors. Evaluation of Independent Directors shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated. The detail process of evaluation and ratings thereon are mentioned in the policy.



SUBSIDIARIES, JOINT VENTURES, ASSOCIATE COMPANIES

The Sirpur Paper Mills Ltd.	- Associate Company
Carma Arts & Crafts Private Ltd.	- Associate Company
Devi Overseas Private Ltd.	- Associate Company
Devi Developers Private Ltd.	- Associate Company
Boutique Hotels India Private Ltd.	- Associate Company

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 were in ordinary course of business and on an arms length basis are provided in Annexure-A to this report in Form no. AOC-2.

AUDITORS AND AUDITOR'S REPORT:

M/s. Salarpuria & Partners, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Auditors in the annexure to their report have drawn attention to the Point No. ii(c) stating that certain shares are not registered in the name of the Company. The same are on account of bad delivery, for which efforts are being made to sort out the same.

Further with respect of Point No. ix, the notes on financial statement referred to in the Auditor Report are self explanatory and do not call for any further comment.

SECRETARIAL AUDIT REPORT:

A Secretarial Audit Report given by Mr. Nitesh Kumar Sinha, Practising Company Secretary (Membership no. F7536) is given in Annexure-B to this report.

EXTRACTS OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return is given in Annexure-C to this report.

BUSINESS RISK MANAGEMENT:

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Company has constituted a business risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the board report.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES:

Whistle blower Policy is formulated to encourage all employees and directors of the Company to report any unethical behavior, actual or suspected fraud or violation of the Code of the Company and to provide a secure environment to such employees acting in good faith and safeguarding them from any adverse action by the management. This policy is in line with the requirements of the revised Clause-49 of the Listing Agreement with the Stock Exchanges and the provisions of the Companies Act, 2013 (Sub-section 9 of Section 177) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, which stipulated that every Listed Company shall establish a "Vigil mechanism".

CORPORATE GOVERNANCE :

Your Company has taken adequate steps to ensure that all mandatory provisions of 'Corporate Governance' as provided in the listing agreement of the Stock Exchanges with which the Company's shares are listed, are duly complied with.

A Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is given in Annexure-D to this report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper

explanation relating to material departures;

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

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company being engaged in the financial services and trading, does not have any energy utilization or technology absorption. The Company during the year under consideration has not earned or spent any foreign exchange.

ACKNOWLEDGEMENT:

Your Company and its Directors wish to extend their sincerest thanks for the co-operation received from shareholders, bankers and other business constituent during the year under review. Your directors also wish to place on record their deep sense of appreciation for the commitment displayed by all employees of the Company.

Date: 21st May, 2015

By Order of the Board of Directors

Sd/
Ranjan Kumar Poddar
Chairman & Managing Director
(DIN: 00290949)

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

Details of material contracts or arrangement or transactions at arm's length basis:

a	Name(s) of the related party and nature of relationship	Mrs. Chandra Lekha Poddar	Mrs. Chandra Lekha Poddar
b	Nature of contracts/ arrangements/ transactions	Sale of equity shares of Boutique Hotels India Private Limited	Sale of equity shares of Carma Arts & Crafts Private Limited
c	Duration of the contracts / arrangements/ transactions	31.03.2015	28.04.2015
d	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 4,15,53,324	Rs. 93,60,000
e	Date(s) of approval by the Board, if any	30.03.2015	30.03.2015
f	Amount paid as advances, if any	NA	NA

ANNEXURE-B TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2015

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

To
The Members
Aravali Securities and Finance Limited
Institutional Area, Plot no. 39,
Sector-44, Gurgaon, Haryana- 122003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aravali Securities and Finance 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 my 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 on 31st March, 2015 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Aravali Securities and Finance Limited for the financial year ended on 31st March, 2015 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

3. We have also examined Compliance with the other applicable Acts.
 - (a) Payment Of Wages Act, 1936, and rules made there under,
 - (b) The Minimum Wages Act, 1948, and rules made there under,
 - (c) Employees' State Insurance Act, 1948, and rules made there under,
 - (d) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
 - (e) The Payment of Bonus Act, 1965, and rules made there under,
 - (f) Payment of Gratuity Act, 1972, and rules made there under,
 - (g) RBI Act, 1934 and NBFC Compliance
4. We have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the Provisions of Companies Act, 1956 (**Not Notified hence not applicable to the Company during the audit period**).
 - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange; During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013, Old Companies Act, 1956 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc. mentioned above.
5. We have relied on the information and representation made by the Company and its Officers for Systems and mechanism formed by the Company for Compliances under applicable Acts, Laws, and regulations to the Company.
6. We further report that
 - (a) 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.
 - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.
 - (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
7. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For NKS & Company

Sd/-

(Nitesh Kumar Sinha)

Practicing Company Secretary

FCS No.:7536

C P No.:7648

Place: Camp Gurgaon

Date : 21st May, 2015

Note: This report is to be read with our letter of even date which is annexed as ANNEXURE 'A' and forms an integral part of this report.

ANNEXURE 'A' TO SECRETARIAL AUDIT REPORT

To
The Members
Aravali Securities and Finance 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 NKS & Company

Sd/-

(Nitesh Kumar Sinha)

Practicing Company Secretary

CP No.: 7648

FCS No.:7536

Place: Camp Gurgaon

Date: 21st May, 2015



ANNEXURE-C TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L67120HR1980PLC039125
ii)	Registration Date	03.07.1980
iii)	Name of the Company	Aravali Securities & Finance Limited
iv)	Category / Sub-Category of the Company	Company limited by shares/Non Government Company
v)	Address of the Registered office and contact details	Institutional area, Plot no. 39, Sector 44, Gurgaon-122003, Haryana
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Private Limited D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020 Ph.no. 011-26812682

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.no	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Finance	NA	99.78
2	Investment/Trading in securities	NA	0.32

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S.no	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	The Sirpur Paper Mills Ltd. 5-9-22/1/1, 1 st Floor, Adarsh Nagar, Hyderabad-500463, Telangana	L21010TG1938PLC000591	Associate	24.18	Section 2(6) of the Companies Act, 2013
2	Carma Arts & Crafts Private Ltd. H-5/11, Mehrauli Road, Behind Qutab Minar, New Delhi – 110 030	U74899DL1986PTC024280	Associate	23.52	
3	Devi Overseas Private Ltd. 311, Rakesh Deep Building, Plot No-11, Community Commercial Complex, Gulmohar Enclave Extn, Yusuf Sarai, New Delhi-110049	U18101DL2000PTC107227	Associate	Nil	
4	Devi Developers Private Ltd. 311, Rakesh Deep Building, Plot No-11, Community Commercial Complex, Gulmohar Enclave Extn, Yusuf Sarai, New Delhi-110049	U51109DL2000PTC105889	Associate	Nil	
5	Boutique Hotels India Private Ltd. 311, Rakesh Deep Building, Plot No-11, Community Commercial Complex, Gulmohar Enclave Extn, Yusuf Sarai, New Delhi-110049	U74899DL1994PTC061172	Associate	Nil	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) INDIAN									
g) Individual/ HUF	4759352	0	4759352	31.41	4759352	0	4759352	31.41	0.00
h) Central Govt	0	0	0	0	0	0	0	0	0.00
i) State Govt (s)	0	0	0	0	0	0	0	0	0.00
j) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
k) Banks / FI	0	0	0	0	0	0	0	0	0.00
l) Any Other....	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1)	4759352	0	4759352	31.41	4759352	0	4759352	31.41	0.00
(2) Foreign									
a) NRIs - Individuals	1372511	0	1372511	9.06	1372511	0	1372511	9.06	0.00
b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other...	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(2)	1372511	0	1372511	9.06	1372511	0	1372511	9.06	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6131863	0	6131863	40.46	6131863	0	6131863	40.46	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0.00
b) Banks / FI	8705	4500	13205	.09	8705	4500	13205	.09	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0	0	0	0	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total B(1)	8705	4500	13205	0.09	8705	4500	13205	0.09	0.00
2. Non Institutions									
a) Bodies Corp.									
i) Indian	1570301	22696	1592997	10.51	1450138	22696	1472834	9.72	-0.79
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1887252	2342736	4229988	27.91	1851720	2325452	4177172	27.57	-0.34
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2825294	153215	2978509	19.66	2907123	153215	3060338	20.20	0.54
c) Others (specify)									
• NRI (Repat & Non-Repat)	0	0	0	0	0	0	0	0	0.00
• HUF	37889	0	37889	0.25	35378	0	35378	0.23	-0.02
• Clearing members	166213	0	166213	1.10	262520	0	262520	1.73	0.63
	3186	0	3186	0.02	540	0	540	0.00	-0.02
Sub-total (B)(2)	6490135	2518647	9008782	59.45	6507419	2501363	9008782	59.45	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	6498840	2523147	9021987	59.54	6516124	2505863	9021987	59.54	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	12630703	2523147	15153850	100.00	12647987	2505863	15153850	100.00	0.00



(ii) Shareholding of Promoters

S. no	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to Total shares	
1	Devashish Poddar (HUF)	400000	2.64	0	400000	2.64	0	0.00
2	Mr. Anupam Poddar	652260	4.30	0	652260	4.30	0	0.00
3	Mr. Devashish Poddar	3707092	24.46	0	3707092	24.46	0	0.00
4	Mrs. Chandra Lekha Poddar	1372511	9.06	0	1372511	9.06	0	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No change			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rita Sachdeva	748000	4.94	748000	4.94
2	Bishwanath Traders and Investment Ltd.	515479	3.40	515479	3.40
3	Anand Kumar Kesari	240365	1.59	289053	1.91
4	Paulastya Sachdev	280000	1.85	280000	1.85
5	Le Roy Securities Pvt. Ltd.	225000	1.48	225000	1.48
6	Nupur Sharma	200000	1.32	200000	1.32
7	Inder Mohan Sharma	200000	1.32	200000	1.32
8	Atul Goel	190000	1.25	135283	0.89
9	Dilwara Leasing and Investment Ltd.	133000	0.88	133000	0.88
10	Amit Goel	-	-	117313	0.77

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Devashish Poddar				
	At the beginning of the year	3707092	24.46	3707092	24.46
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0	0	0.00
	At the End of the year	3707092	24.46	3707092	24.46

Note: None of the Directors and Key Managerial Personnel except Mr. Devashish Poddar, Director of the Company, holding any equity share of the Company

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lakh)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	-	356.92	850.00	1206.92
ii) Interest due but not paid	-	35.55	-	35.55
iii) Interest accrued but not due	-	48.40	-	48.40
Total (i+ii+iii)	-	440.87	850.00	1290.87
Change in Indebtedness during the financial year	-			
• Addition	-	1098.74	-	1098.74
• (Reduction)	-	(20.07)	(375.00)	(395.07)
Net Change	-	1078.67	(375.00)	703.67
Indebtedness at the end of the financial year	-			
i) Principal Amount	-	1401.92	475.00	1876.92
ii) Interest due but not paid	-	44.38	-	44.38
iii) Interest accrued but not due	-	73.24	-	73.24
Total (i+ii+iii)	-	1519.54	475.00	1994.54

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Ranjan Kumar Poddar	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- - -	- - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	Rs. 42 Lakh	

B. REMUNERATION TO OTHER DIRECTORS:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount (in Rs.)
		Mr. Devashish Poddar	Mrs. Malvika Poddar	Mr. R.A. Kila	Mr. Naresh Birla	Mr. Ashok Kumar Sharma	
	1. Independent Directors						
	Fee for attending board / committee meetings			6,000	10,000	4,000	20,000
	Commission						
	Others, please specify						
	Total (1) (in Rs.)			6,000	10,000	4,000	20,000
	2. Other Non-Executive Directors						
	Fee for attending board / committee meetings	4,000	-				4,000
	Commission						
	Others, please specify						
	Total (2) (in Rs.)	4,000	-				4,000
	Total (B)=(1+2)	4,000	-	6,000	10,000	4,000	24,000
	Total Managerial Remuneration (in Rs.)	4,000	-	6,000	10,000	4,000	24,000
	Overall Ceiling as per the Act	upto Rs. 1 Lakh & reimbursement of expenses to attend Board/ Committee meeting(s)					



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Ms. Anuradha Rawat	CFO Mr. Sushil Kumar	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	313560	709240	1022800
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	14652	22386	37038
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	328212	731626	1059838

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE-D TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Aravali Securities & Finance Ltd (ASFL) governance philosophy is that the policies and procedures should be so strong that they don't leave any room for mistakes or manipulations. ASFL emphasis is on providing complete transparency in management and fixing authority and responsibility of every person in the organisation. This enables every person in the organisation to work for the achievement of the Company's goal and thereby maximising the return to the Company as also to the members of the Company.

ASFL's Corporate Governance is based on two core principles:

- I. Management must have the executive freedom to drive the enterprise forward without undue restraints; and
- II. This freedom of management should be exercised within a framework of effective accountability.

ASFL believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are not misused, and used with care and responsibility to meet stakeholders' aspirations and societal expectations.

The above belief and core principles of Corporate Governance adopted by ASFL lead to Company's governance philosophy, trusteeship, transparency, accountability and responsibility which in turn are the basis of public confidence in corporate system.

2. BOARD OF DIRECTORS

I. Composition of the Board:

Composition, Category of Directors and their other directorship as on March 31, 2015.

Name of Director	Executive/ Non Executive Director	Independent Status	No. of Directorship held in other Co's	Committee position in other Co's Chairman /Member	
Mr. Ranjan Kumar Poddar Chairman & Managing Director	Executive	Promoter	One	Nil	Nil
Mr. Devashish Poddar Director	Non-Executive	Promoter Associate	Three	Nil	Nil
Mrs. Malvika Poddar Director	Non-Executive	Promoter Associate	Three	Nil	Nil
Mr. R. A. Kila* Director	Non-Executive	Independent	Three	Nil	Nil
Mr. Ashok Kumar Sharma Director	Non-Executive	Independent	Nil	Nil	Nil
Mr. Naresh Birla Director	Non-Executive	Independent	One	Nil	Nil

*Ceased to be Director of the Company w.e.f December 26, 2014

II. Director's interest in the Company and attendance records

Director	No. of Board meetings attended during the year 2014-15	Last AGM attended	No. of Equity Shares held
Mr. Ranjan Kumar Poddar	4	No	Nil
Mr. Devashish Poddar	2	Yes	3707092
Mrs. Malvika Poddar	1	No	Nil
Mr. R. A. Kila	3	Yes	Nil
Mr. Ashok Kumar Sharma	2	No	Nil
Mr. Naresh Birla	5	Yes	Nil

Note: During the year, five meetings of the Board of Directors were held on 28th May, 2014, 13th August, 2014, 14th November, 2014, 12th February 2015 and 30th March, 2015.

3. BOARD COMMITTEES, MEETINGS AND PROCEDURES

I. AUDIT COMMITTEE

The Audit Committee was re-constituted as per the requirements of Companies Act, 2013 on 28th May, 2014. As on 31st March, 2015, the Audit Committee comprises of one executive and three non executive directors. The Committee met four times during the year and the attendance of the members at the meeting was as follows:

Name of member	Status	No. of meetings attended
Mr. R. A. Kila	Chairman	Three
Mr. Ranjan Kumar Poddar	Member	Three
Mr. Devashish Poddar	Member	Two
Mr. Naresh Birla	Member	Four
Mr. Ashok Kumar Sharma	Member	One

The General Manager – Commercial, Chief Financial Officer and Statutory Auditors are the permanent invitees. The Company Secretary is the secretary of the Committee.



Powers of the Audit Committee

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Terms of reference of the Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of the Companies Act, 1956/New Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by the management
 - Significant adjustments made in financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications in draft audit report
- Reviewing with the management the quarterly financial statements before submission to the Board for approval
- 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 utilised for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- Reviewing and monitoring the auditors independence and performance and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems
- 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
- Discussion with internal auditors, any significant findings and follow-up thereon
- 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
- 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
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Whistle Blower mechanism
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.

- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor
- To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company

II. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has constituted a Nomination & Remuneration Committee in its meeting held on May 28, 2014 as per the requirements of Companies Act, 2013 and formulates the terms of reference in conformity with the revised Clause 49 of the Listing Agreement.

The Committee comprise of three non-executive directors. The Committee met twice during the year i.e. August 13, 2014 and February 12, 2015 and the attendance of the members at the meeting was as follows:

Name of member	Status	No. of meetings attended
Mr. Devashish Poddar	Chairman	One
Mr. Naresh Birla	Member	Two
Mr. Ashok Kumar Sharma	Member	One

The role of the Committee shall, inter-alia, include the following:

- Laying down criteria, to identify persons who are qualified to become directors and who can be appointed in senior management.
- Recommending to the Board, appointment and removal of Directors and senior management.
- Carrying out evaluation of every director's performance.
- Formulating criteria for determining qualification, positive attributes and independence of directors.
- Recommending to Board, a policy relating to remuneration of directors, key managerial personnel and other employees.
- Devising a policy on Board diversity.

Details of directors' remuneration paid for the year 2014-2015.

(a) Executive Director

NIL

(b) Non Executive Directors

Name of Director	Sitting Fees paid during 2014-15
Mr. R. A. Kila	Rs. 6000
Mr. Devashish Poddar	Rs. 4000
Mr. Naresh Birla	Rs.10000
Mr. Ashok Kumar Sharma	Rs. 4000
Mrs. Malvika Poddar	Nil

Note: No remuneration except sitting fees for attending Board Meetings are paid to the non-executive Directors (no change in sitting fees). No remuneration is paid to any Director for attending Board level Committee meetings.



III. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee was renamed by the Board of Directors in its meeting held on May 28, 2014 as per the requirements of Companies Act, 2013.

Terms of Reference

- Monitor redressal of investors' / shareholders' / security holders' grievances
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable
- To look into redressing of shareholders' and investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- To do all other acts or deeds as may be necessary or incidental thereto. The main object of the committee is to strengthen the investor relations.

The Board requested the Committees to follow the revised terms of reference in conducting the proceedings and authorised the Company Secretary to take necessary action in this regard.

Composition

The Shareholders' Grievance Committee as on 31st March, 2015 comprises of one executive and two non-executive directors. The Company Secretary is entrusted with the responsibility to look into the redressal of the shareholder's complaints and report the same to the Committee.

During the year, the Committee held two meetings and the attendance of the members was as follows:

Name of Members	Status	No. of meetings attended
Mr.Devashish Poddar	Chairman	One
Mr.Ranjan Kumar Poddar	Member	Two
Mr.Naresh Birla	Member	Two

During the year, five letters/complaints were received from the shareholders. The same were replied/resolved to the satisfaction of the shareholders.

As on date, no requests involving transfer of shares is pending.

In order to expedite the process of shares transfers, the Board has delegated the powers of approving transfer of shares to the Skyline Financial Services Private Ltd., Registrar & Share Transfer Agent of the Company. The delegated Authority is attending to share transfer formalities at least once in a fortnight, as required.

IV. BUSINESS RISK MANAGEMENT COMMITTEE

The Company has formed a business risk evaluation/ management committee consisting of Mr. Naresh Birla, Independent Director (Chairman), Mr. Ashok Kumar Sharma, Independent Director (Member), Mr. Ranjan Kumar Poddar, Executive Director (Member), Mr. Sushil Kumar, CFO (Member).

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprise of

1. Oversight of risk management performed by the executive management;
2. Reviewing the risk management policy and framework in line with local legal requirements and SEBI guidelines;
3. Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
4. Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.
5. Within its overall scope as aforesaid, the Committee shall review risks trends, exposure, potential impact analysis and mitigation plan.

V. MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Chairman and Managing Director. One meeting of Independent Directors was held during the year.

4. GENERAL BODY MEETINGS

Details of General Body Meetings:

Financial Year	Date	Day	Time	Venue
2013-14	30 th September, 2014	Tuesday	11.00 A.M.	Plot No 371 Udyog Vihar, Phase VI, Sector 37, Gurgaon-122 001
2012-13	30 th September, 2013	Monday	11.00 A.M.	Plot No 371 Udyog Vihar, Phase VI, Sector 37, Gurgaon-122 001
2011-12	29 th September, 2012	Saturday	11.00 A.M.	Plot No 321 Udyog Vihar, Phase VI, Sector 37, Gurgaon-122 001

For the year ended March 31, 2015 there have been no ordinary or special resolutions passed by the Company's Shareholders through postal ballot.

5. CODE OF CONDUCT

The Board of directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the directors and members of the senior management.

6. DISCLOSURES

1. During the year, there were no transactions of material nature with the promoters, directors or the management or their subsidiaries or relatives etc. that had potential conflict with the interest of the Company.
2. In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies, which are consistently applied, are disclosed in Note No. 1 to the accounts in the annual report.
3. Business risk evaluation and management is an ongoing process within the Company. During the year under review a detailed exercise on 'Risk Assessment & Management' was carried out covering the entire gamut of business operations and Board was informed of the same.
4. Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

7. MEANS OF COMMUNICATION

1. Quarterly un-audited results and the Annual Audited financial results are sent to the stock exchanges immediately after they are approved by the Board and published in one vernacular newspaper viz. Veer Arjun and one English newspaper viz. The Pioneer. Also they are uploaded on the Company's website www.aravalisecurities.com.
2. In line with the existing provisions of the Listing Agreement, the Company has created a separate e-mail address viz. investorcomplaints@aravalisecurities.com to receive complaints and grievances of the investors.
3. Management discussion and analysis is included in Directors' Report which is sent to the shareholders of the Company individually.
4. The Company maintains the official website www.aravalisecurities.com to display the results and other official news



8. GENERAL SHAREHOLDERS INFORMATION

1. Annual General Meeting will be held on Monday, the 29th day of June, 2015 at Institutional Area, Plot no. 39, Sector 44, Gurgaon-122003, Haryana, at 10.00 A.M.
2. Financial calendar 1st April to 31st March
 First Quarter results Before 15th August
 Annual General Meeting First Quarter of the Financial Year
 Second Quarter results Before 15th November
 Third Quarter results Before 15th February
 Fourth Quarter results Before 30th May
3. Dates of book closure 25.06.2015 To 29.06.2015 (both days inclusive)
4. Dividend payment date No dividend is recommended for payment
5. Listing of equity shares on Stock Exchanges at: BSE Limited, Mumbai
Delhi Stock Exchange Ltd., New Delhi
Calcutta Stock Exchange Ltd., Kolkata

*Application for delisting of shares of the Company has been moved to Delhi Stock Exchange and Calcutta Stock Exchange

6. Stock Code at Bombay Stock Exchange BSE:512344
7. Stock Market Price data for the year 2014-15

Share Price on BSE

Month	High(Rs.)	Low(Rs.)
April, 2014	8.79	7.60
May, 2014	9.11	7.46
June, 2014	9.00	6.61
July, 2014	8.55	6.24
August, 2014	8.85	5.32
September, 2014	7.41	4.12
October, 2014	7.25	4.78
November, 2014	7.20	4.51
December, 2014	7.00	4.30
January, 2015	6.79	4.27
February, 2015	6.19	3.68
March, 2015	6.60	3.20

8. Share Transfer System:

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. In compliance with the SEBI directions, the Company has appointed the following registrar as common agency to handle both physical and demat share work w.e.f. 1st April, 2003. The shares which are lodged for transfer with the Registrar and Transfer Agent of the Company are processed and returned to the shareholders within stipulated time. The address of the Registrar and Transfer Agent for correspondence is as under:

Skyline Financial Services Pvt. Ltd
 D-153/A, 1st Floor,
 Okhla Industrial Area, Phase-I
 New Delhi-110 020

9. (a) Distribution of Shareholding as on 31st March, 2015

No. of equity shares	Number of Shareholders	Percentage (%)	Number of Equity Shares held	Percentage (%)
1 to 500	14734	90.48	2089567	13.79
501 to 1000	834	5.12	667433	4.40
1001 to 2000	347	2.13	511687	3.38
2001 to 3000	116	0.71	294516	1.94
3001 to 4000	46	0.28	164933	1.09
4001 to 5000	49	0.30	234787	1.55
5001 to 10000	78	0.48	549000	3.62
10001 and above	80	0.49	10641927	70.23
Total	16284	100.00	15153850	100.00

(b) Categories of Shareholders as on 31st March, 2015

Category	Number of Shareholders	(%) of shareholders	Number of Equity Shares held	(%) of shareholding
i) Promoters & person acting in concert	4	0.02	6131863	40.46
ii) Mutual Funds/ UTI	NIL	NIL	NIL	NIL
iii) Public Financial Institution/ Banks	9	0.05	13205	0.09
iv) Non Resident Indians	20	0.12	35378	0.23
v) Other Bodies Corporate	173	1.06	1472834	9.72
vi) Others	16078	98.75	7500570	49.50
Total	16284	100%	15153850	100%

10. Dematerialisation of shares and liquidity

Trading in shares of ASFL is permitted only in dematerialised form as per circular issued by the Securities and Exchange Board of India (SEBI) and 83.46% of the Equity shares of the Company have been dematerialised upto 31st March, 2015.

11. The address for correspondence is as mentioned below :

Registered Office:
 ARAVALI SECURITIES & FINANCE LIMITED
 Institutional Area, Plot No. 39, Sector 44,
 Gurgaon-122003, Haryana

Date: 21st May, 2015

By Order of the Board of Directors

Sd/-
 Ranjan Kumar Poddar
 Chairman & Managing Director
 (DIN: 00290949)



DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, I affirm that the Board members and the Senior Management Personnel have confirmed compliance with the Code of Conduct, as applicable to them, for the year ended 31st March, 2015

For Aravali Securities & Finance Limited
Sd/-

Ranjan Kumar Poddar
Chairman & Managing Director
(DIN: 00290949)

Date: 21st May, 2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Aravali Securities & Finance Limited

We have examined the compliance of conditions of Corporate Governance by Aravali Securities & Finance Limited, for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance 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 Salarpuria & Partners
Chartered Accountants,
(Registration No.302113E)

Sd/-
Kamal Kumar Gupta
Partner
M.No.89190

Place: Camp Gurgaon

Date: 21st May, 2015

CEO/ CFO CERTIFICATION

To
The Board of Directors
Aravali Securities & Finance Ltd.

- a) We have reviewed the financial statements and the cash flow statement of Aravali Securities & Finance Ltd. (the Company) for the year ended March 31, 2015 and to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, significant deficiencies in the design of operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year, if any and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's Internal Control System over financial reporting.

Date: 21st May, 2015

Sd/-
Sushil Kumar
Chief Financial Officer

Sd/-
Ranjan Kumar Poddar
Chairman & Managing Director
DIN: 00290949

INDEPENDENT AUDITORS' REPORT

To The Members of
Aravali Securities & Finance Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ARAVALI SECURITIES & FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015 and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) In the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required under the provisions of Section 143(3) of the Act, we 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account:
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i The Company does not have any pending litigations which would impact its financial position except the sales tax liability pending in appeals/ rectification of Rs. 160969, as referred in note 1.9
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There has been no delay in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company.

For SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS
(Registration No.302113E)

Sd/-
KAMAL KUMAR GUPTA
PARTNER
Membership No.89190

Place: Camp Gurgaon
Date: 21st May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date to the members of Aravali Securities & Finance Limited as at and for the year ended 31st March, 2015)

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. The fixed assets of the Company were physically verified by the management during the year. In our opinion, frequency of physical verification is reasonable having regard to the size of the operation of the Company. In the basis of explanation received, in our opinion, no discrepancy between the book records and physical inventory has been noticed in respect of assets physically verified.
- ii. a. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals. In our opinion, having regard to the nature of stocks, the frequency is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of records of inventories, in our opinion, the Company has maintained proper records of its inventories and no material discrepancy was noticed on physical verification **except to the extent of shares not registered in the name of the Company as mentioned in Note 11.**
- iii. a. The Company has given loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013.
- b. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
- c. There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor we have been informed of any instance of major weaknesses in the aforesaid internal control systems.
- v. As informed, the Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of any of the company's activities.
- vii. a. According to the information and explanations given to us and the books and records as produced and examined by us, in our opinion, the undisputed statutory dues including in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues as applicable have been regularly deposited by the Company during the year with the appropriate authorities. There were no undisputed statutory dues as at the last day of the financial year outstanding for a period of more than six months from the date they became payable.



- b. According to the records of the company, there were no dues of income tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess which have not been deposited on account of disputes. The particulars of dues of sales tax as at 31st March, 2015 which have not been deposited on account of disputes are as under:

Name of the dues	Period	Amount under dispute not yet deposited	Forum before whom pending
Sales Tax	Financial year 1984-85,1985-86, 2000-01 and 2001-02	Rs. 1,60,969	Asst. Commissioner of Sales Tax (Appeals) Delhi

- viii. The Company losses as at 31st March, 2015 are less than fifty percent of its net worth. The Company has incurred cash losses in the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year
- ix. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year except sum of Rs. 142000 received from Fully Convertible partly paid up Debentures which were convertible into fully paid up equity shares and which have not been converted pending allotment money in arrears, as mentioned in Note 1.2 & Note 4.
- x. The Company has not given any guarantee for loans taken by others from bank or financial institutions except those mentioned in Note 8.
- xi. The Company did not have any term loans outstanding during the year.
- xii. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For SALARPURIA & PARTNERS
CHARTERED ACCOUNTANTS
(Registration No.302113E)

Sd/-

KAMAL KUMAR GUPTA
PARTNER
MembershipNo.89190

Place: Camp Gurgaon
Date: 21st May, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note	As at 31st March, 2015	As at 31st March, 2014
		<u>Rupees</u>	<u>Rupees</u>
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share Capital	2	151538500	151538500
Reserves and Surplus	3	82803749	112293575
		<u>234342249</u>	<u>263832075</u>
CURRENT LIABILITIES			
Short Term Borrowings	4	140192000	35692000
Other Current Liabilities	5	62325144	95355098
Short Term Provisions	6	769335	626682
		<u>203286479</u>	<u>131673780</u>
TOTAL		<u>437628728</u>	<u>395505855</u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	7	24672417	26112484
Non Current Investments	8	281022180	341022180
Deferred Tax Assets (Net)	9	3897604	3897604
		<u>309592201</u>	<u>371032268</u>
CURRENT ASSETS			
Current Investments	10	1403684	825056
Inventories	11	225755	238774
Trade Receivables	12	-	3506000
Cash and Cash Equivalents	13	45315528	444002
Short Term Loans & Advances	14	71667232	15850260
Other Current Assets	15	9424328	3609495
		<u>128036527</u>	<u>24473587</u>
TOTAL		<u>437628728</u>	<u>395505855</u>

**ACCOUNTING POLICIES AND NOTES
ON FINANCIAL STATEMENTS**

1 to 20

The notes referred to above form an integral part of the Financial Statements

As per our report of even date attached.

For SALARPURIA & PARTNERS

Chartered Accountants

(Registration No. 302113E)

For and on behalf of the Board

Kamal Kumar Gupta
Partner
Membership No.89190

Anuradha Rawat
Company Secretary

Sushil Kumar
Chief Financial Officer

Ashok Kumar Sharma
Naresh Birla
Directors

Ranjan Kumar Poddar
Chairman &
Managing Director

Place : Camp Gurgaon
Dated : 21st May, 2015

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015



	Note	For year ended 31st March, 2015	For year ended 31st March, 2014
		Rupees	Rupees
REVENUE			
Revenue from Operations	16	8825995	2633123
Other Income	17	5088207	20767667
TOTAL REVENUE		13914202	23400790
EXPENSES			
Change in Inventory of Stock in Trade	18	13019	(398)
Employee Benefits Expense	19	2760271	2366894
Finance Costs			
Interest		16654973	15227606
Depreciation		1069527	662111
Other Expenses	20	22399115	3452439
TOTAL EXPENSES		42896905	21708652
PROFIT/(LOSS) BEFORE TAX		(28982703)	1692138
Tax Expenses			
Current Tax		-	523480
Deffered Tax		-	15698457
In respect of earlier years		136583	4969
LOSS FOR THE YEAR		(29119286)	(14534768)
EARNINGS PER EQUITY SHARE		(1.92)	(0.96)
Basic and Diluted (in Rs)			

**ACCOUNTING POLICIES AND NOTES
ON FINANCIAL STATEMENTS**

1 to 20

The notes referred to above form an integral part of the Financial Statements

As per our report of even date attached.

For SALARPURIA & PARTNERS

Chartered Accountants

(Registration No. 302113E)

For and on behalf of the Board

Kamal Kumar Gupta
Partner
Membership No.89190

Anuradha Rawat
Company Secretary

Sushil Kumar
Chief Financial Officer

Ashok Kumar Sharma
Naresh Birla
Directors

Ranjan Kumar Poddar
Chairman &
Managing Director

Place : Camp Gurgaon
Dated : 21st May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	<u>Year ended 31st March,2015</u>		<u>Year ended 31st March,2014</u>	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and extraordinary items		(28982703)		1692138
Adjustment for				
Depreciation	1069527		662111	
Dividend on Investments	(46)		(600)	
Loss on fixed assets sold/ discarded (Net)	18218048		289388	
Provision for Standard assets as per RBI Prudential Norms	147342		44444	
Profit on Sale of Investment	-		(434110)	
Interest	16654973		15227606	
Employee's Leave Encashment	(4689)	36085155	16544	15805383
Operating Profit before Working Capital Changes		7102452		17497521
Adjustment for				
Trade & Other Receivables	(58145300)		15134899	
Inventories	13019		(398)	
Trade & Other Payables	(36396073)	(94528354)	49267428	64401929
Cash generated from Operations		(87425902)		81899450
Interest paid	(13288854)		(22436443)	
Taxes paid	(117088)	(13405942)	918155	(21518288)
NET CASH FLOW FROM OPERATING ACTIVITIES		(100831844)		60381162
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale of Fixed Assets	-		105000	
Dividend received on Investments	46		600	
Sale of Investment	53803324		20050000	
Purchase of Investments	(12600000)		(14500000)	
NET CASH FLOW FROM INVESTING ACTIVITIES		41203370		5655600
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase / (Decrease) in other borrowings	104500000		(65786978)	
NET CASH FLOW FROM FINANCING ACTIVITIES		104500000		(65786978)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		44871526		249784
CASH AND CASH EQUIVALENT AS AT 31-03-2014		444002		194218
CASH AND CASH EQUIVALENT AS AT 31-03-2015		45315528		444002

Note :- Figures in bracket represents outflow.

The notes referred to above form an integral part of the Financial Statements

As per our report of even date attached.

For SALARPURIA & PARTNERS

Chartered Accountants

(Registration No. 302113E)

For and on behalf of the Board

Kamal Kumar Gupta

Partner

Membership No.89190

Anuradha Rawat

Company Secretary

Sushil Kumar

Chief Financial Officer

Ashok Kumar Sharma

Naresh Birla

Directors

Ranjan Kumar Poddar

Chairman &

Managing Director

Place : Camp Gurgaon

Dated : 21st May, 2015



NOTE 1: ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1.1 ACCOUNTING POLICIES

i) Accounting Concepts

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and in accordance with Accounting Standards as notified by (Accounting Standards) Rules, 2006.

ii) Uses of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

iii) Revenue Recognition

- a) All income is accounted on accrual basis.
- b) Dividend declared within close of the accounting year are accounted for in respect of shares & securities held by the company.

iv) Expenses

All expenses are accounted on accrual basis.

- v) In accordance with guidelines for Prudential Norms issued by the Reserve Bank of India to Non-Banking (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, provision is made for non - performing assets in respect of income and debts/assets

vi) Depreciation

Depreciation is provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

vii) Fixed Assets

Fixed assets are stated at cost less depreciation.

viii) Investments

Long term investments are stated at cost plus incidental expenses thereto. Provision for diminution in value of investments is made by the company to recognise permanent decline, if any, in the value of each investment. Current investments are valued at lower of cost and market value.

ix) Inventories

Shares & Securities - At cost or net realisable value, whichever is lower, script wise.

x) Deferred Tax

Deferred tax is recognised on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

xi) Employee Benefits

Liability for employee benefits, both short term and long term, for present and past services which are due as per the terms of employment are recorded in accordance with Accounting Standard (AS) - 15 "Employees Benefits" as notified by Companies (Accounting Standard) Rules, 2006.

a) Gratuity

The company makes annual contribution to an approved gratuity fund covered by a policy with Life Insurance Corporation of India. The plan assets are sufficient to cover liability for gratuity fully.

NOTE1: CONTINUED

b) **Contribution to Provident & Other Funds**

Contribution to Provident Fund and Employees State Insurance are recognised and expensed on accrual basis.

c) **Compensated Absences**

Liability for leave is treated as a short term liability and is accounted for on accrual basis.

xii) Contingent Liabilities

Contingent liabilities are not provided for and are shown by way of notes in the Notes to Financial Statements.

1.2 2272 12.5% Fully Convertible Debentures of Rs.125 each allotted on 25th January, 1993 have not been converted into fully paid equity shares since allotment money has not been received. Additions to subscribed and paid up share capital will be made as and when allotment money is received.

1.3 Accounts relating to allotment money in arrears of Fully Convertible Debentures are not reconciled.

1.4 Disclosures as required under Accounting Standard (AS) 15 (REVISED)

Gratuity

	<u>For year ended 31st March, 2015</u>	<u>For year ended 31st March, 2014</u>
I. Net Asset/(Liability) recognised in the Balance Sheet		
As at end of the year		
Present Value of Defined Benefit Obligations (DBO)	735211	626441
Fair Value of Plan Assets	1475203	1352571
Funded Status - Surplus	739992	726130
Net Asset/(Liability) recognised in the Balance Sheet	Nil	Nil
II. Changes in DBO during the year		
Present Value at beginning of the year	626441	531261
Current Service Cost	24564	25681
Interest Cost	50115	42501
Actuarial Losses / (Gains)	34091	26998
Benefits Paid	-	-
Present Value at the end of the year	735211	626441
III. Changes in Fair Value of Plan Assets during the year		
Plan Assets at beginning of the year	1352571	1243743
Actual return on Plan Assets	122632	108828
Benefits Paid	-	-
Plan Assets at the end of the year	1475203	1352571
IV. Components of Employers' expenses		
Current Service Cost	24564	25681
Interest Cost	50115	42501
Expected return on Plan Assets	(122632)	(108828)
Actuarial Losses / (Gains)	34091	26998
Expenses / Income recognised in the Profit & Loss Account	Nil	Nil
V. Actual Contribution and Benefits Payment for the year		
Actual Benefits Payments	-	-
Actual Contributions	-	-
Discount Rate	8%	8%
Expected return on Plan Assets	9%	9%
Salary Escalation	6%	6%

NOTE1: CONTINUED**1.5 Related Party Disclosures**

(A) List of Related Parties and Relationships, where control exists and other related parties with whom transaction have taken place during the year.

Name of the Party	Relation
I. The Sirpur Paper Mills Limited	Aravali Securities & Finance Limited is Promoter
II. Boutique Hotels India Private Limited	Associate
Carma Arts & Crafts Private Limited	Associate
Devi Developers Private Limited	Associate
Devi Overseas Private Limited	Associate
III. Mrs. Chandra Lekha Poddar	Promoter of the Company
Mr. Devashish Poddar	Promoter Director of the Company
Mrs. Malvika Poddar	Director of the Company
VI. Key Managerial Personnel	
Ms. Anuradha Rawat	Company Secretary
Mr. Sushil Kumar	Chief Financial Officer

(B) Related Party Transactions

Transactions	Associates	Promotee Company	Promotor Director	Key Management Personnel
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Lease/Rent Income		1422581 (1800000)		
Interest Income	494577 (1511712)	2241256 (-)		
Interest Expenditure	1266781 (375000)	2636986 (3500000)	665890 (-)	
Rent, Office Maintenance, Fooding and Telephone Expenses		630744 (630744)		
Remuneration paid				1059838 (593567)
Sale of Investment			41553524 (-)	
Finance provided				
Loans given	- (2950000)	5600000 (-)		
Loans received back	6360541 (7557750)	37593522 (-)		
Finance Received				
Loans Received	10000000 (-)		14500000 (-)	
<u>Balances outstanding as on 31.3.2015</u>				
Outstanding/receivables (debit)	- (6360541)	18636210 (78658)		
Outstanding/payable (credit)	13640103 (2837500)	- (38070214)	15099301 (-)	

NOTE1: CONTINUED**1.6 Basic and diluted earnings per equity share**

	For year ended 31st March, 2015	For year ended 31st March, 2014
Net Loss after tax	(Rs 29119286)	(Rs 14534768)
Weighted average number of equity shares	15153850	15153850
Basic and diluted earnings per equity share	Rs. (1.92)	Rs. (0.96)

1.7 Segment Reporting

	For year ended 31st March, 2015	For year ended 31st March, 2014
I. Segment Revenues :		
a) Shares & Securities	28046	434710
b) Financing	8797995	5833123
Total	8826041	6267833
II. Segment Results before Tax, Interest & Other unallocable Items :		
a) Shares & Securities	(18203021)	403624
b) Financing	8797995	5833123
Total	(9405026)	6236747
Less : Interest	16654973	15227606
	(26059999)	(8990859)
Unallocable items :		
Other unallocable expenditure	(8010865)	(6449960)
Other unallocable income	5088161	17132957
Loss before tax	(28982703)	1692138
Less : Taxes	136583	16237906
Loss after tax	(29119286)	(14545768)
III. Segment Assets :		
a) Shares & Securities	282651619	345592010
b) Financing	77343150	17777390
c) Unallocable assets	77633959	32136455
Total	437628728	395505855
IV. Segment Liabilities :		
a) Unallocable liabilities	51332960	87586380
b) Unallocated Unsecured Loans	151953519	44087400
Total	203286479	131673780

Note : Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amount allocated on a reasonable basis. The expenses / incomes which are not directly relatable to the business segment, are shown as unallocable expenditure and unallocable income. Assets and Liabilities that can not be allocated between the segments are shown as unallocated assets and liabilities respectively.



NOTE1: CONTINUED

1.8 Disclosure of details as required by Para 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998

Particulars	<u>Amount Outstanding</u> Rupees	<u>Amount Overdue</u> Rupees	
1 Loans and advances availed by NBFC inclusive of interest thereon but not paid			
a) Debentures			
Secured	-	-	
Unsecured - Fully convertible debentures	142000	*	
b) Inter-corporate loans and borrowings	151811519	7323768	
* Pending conversion into shares due to non-receipt of allotment money.			
2 Break up of Loans given (inclusive of interest accrued)			
a) Secured	-	-	
b) Unsecured	77343150	-	
3 Break up of Investments (Net of diminution in value of investments)			
a) Current Investments			
1) Quoted			
- Equity Shares	225755		
- Units of Mutual Funds	1403684		
b) Long Term Investments			
1) Quoted			
- Equity Shares	280504980		
- UTI Bonds	38400		
2) Unquoted			
- Equity Shares	478800		
- Preference Shares	-		
4 Borrower group-wise classification of all assets financed as in 2 above	<u>Amount Net of Provisions</u>		
	Secured	Unsecured	Total
a) Related Parties			
1) Subsidiaries	-	-	-
2) Companies in the same group	-	-	-
3) Other related parties	-	18636210	18636210
b) Other than related parties	-	58706940	58706940
Total	<u>-</u>	<u>77343150</u>	<u>77343150</u>
5 Investor group-wise classification of all investments (current and long term)	Market Value Break up Value or fair Value or NAV	Book Value (net of provisions)	
a) Related Parties			
1) Subsidiaries	-	-	
2) Companies in the same group	-	-	
3) Other related parties	56191062	280969109	
b) Other than related parties	1766218	1682510	
Total	<u>57957280</u>	<u>282651619</u>	

NOTE1: CONTINUED

6 Other Information

a) Gross Non Performing Assets	
1) Related parties	-
2) Other than related parties	-
b) Net Non Performing Assets	
1) Related parties	-
2) Other than related parties	-
c) Assets acquired in satisfaction of debt	-

1.9 Contingent Liabilities

Sales tax liabilities pending company's appeals/rectifications **Rs. 160969** (Rs. 160969)

1.10 Quantitative Details

Name of item	Unit	Opening Stocks		Purchases (Less Returns)		Sales (Less Returns)		Closing Stocks	
		Qty.	Amount Rupees	Qty.	Amount Rupees	Qty.	Amount Rupees	Qty.	Amount Rupees
Shares & Securities	Nos	77086 (77086)	238774 (238376)	8* (-)	- (-)	56 (-)	28000 (-)	77038 (77086)	225755 (238774)

*Received upon splitting of shares

1.11 Additional Information:

i. Registration Details

Registration No. : **039125** State Code : **05**
 Balance Sheet Date : **31 03 2015**
 Date Month Year

ii. Capital raised during the year (Amount in Rs. Thousands)

Public Issue : **NIL** Right Issue : **NIL**
 Bonus Issue : **NIL** Private Placement : **NIL**

iii. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities :	437628	Total Assets :	437628
Sources of Funds		Reserves and Surplus :	82804
Paid-up Capital :	151538	Unsecured Loans :	140192
Secured Loans :	Nil		
Current Liabilities	63094		
Application of Funds		Investments :	281022
Net Fixed Assets :	24672	Miscellaneous Expenditure :	Nil
Current Assets :	128036		
Deferred Tax Asset	3898		

iv. Performance of the Company (Amount in Rs. Thousands)

Turnover :	13914	Total Expenditure :	42897
Profit before Tax :	(28983)	Profit after Tax :	(29119)
Earning per Share in Rs.:	(1.92)	Dividend Rate :	Nil



NOTE1: CONTINUED

v. Generic Names of three Principal Products/Services of the Company (as per monetary terms)

PRODUCT DESCRIPTION	ITEM CODE NO.
a). Finance	Not Applicable
b). Investment/Trading in securities	Not Applicable

The notes referred to above form an integral part of the Financial Statements

As per our report of even date attached.

For SALARPURIA & PARTNERS

Chartered Accountants

(Registration No. 302113E)

For and on behalf of the Board

Kamal Kumar Gupta
Partner
Membership No.89190

Anuradha Rawat
Company Secretary

Sushil Kumar
Chief Financial Officer

Ashok Kumar Sharma
Naresh Birla
Directors

Ranjan Kumar Poddar
Chairman &
Managing Director

Place : Camp Gurgaon

Dated : 21st May, 2015

NOTE 2 : SHARE CAPITAL

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
AUTHORISED		
20000000 (20000000) Equity Shares of Rs. 10 each	<u>200000000</u>	<u>200000000</u>
ISSUED, SUBSCRIBED AND PAID UP		
15153850 (15153850) Equity Shares of Rs.10 each fully paid up	<u>151538500</u>	<u>151538500</u>

a) Shareholders holding more than 5% of shares

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No of shares	% of holding	No of shares	% of holding
Devashish Poddar	3707092	24	3707092	24
Chandra Lekha Poddar	1372511	9	1372511	9

b) There are no shares issued for consideration other than cash in last 5 years. However 1494500 Equity Share out of issued, subscribed and paid up share capital were allotted as fully paid-up Bonus Shares by capitalisation of Reserves and Surplus in Profit and Loss Account in earlier years.

c) 10990600 Equity Shares out of issued subscribed and paid up share capital were allotted on conversion of convertible debentures in earlier years.

d) The number of issued, subscribed and fully paid up shares remained unchanged during the year as there were no buyback or issue of share capital.

e) The Company has only one class of Equity Shares having a par value of Rs 10. Each holder of Equity Shares is entitled to one vote per share. There are no restrictions attached to any Equity Shares. The Company declares and pays dividends, if any, in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the respective shareholders.

NOTE 3 : RESERVES AND SURPLUS

	<u>As at 31st March, 2014</u> Rupees	<u>Addition during the Year</u> Rupees	<u>Adjustment relating to Fixed Assets*</u> Rupees	<u>As at 31st March, 2015</u> Rupees
Securities Premium Reserve	127062200	-	-	127062200
NBFC Reserve Fund	16427862	-	-	16427862
Profit and Loss Account	(31196487)	(29119286)	(370540)	(60686313)
	<u>112293575</u>	<u>(29119286)</u>	<u>(370540)</u>	<u>82803749</u>

* Refer Note 7



NOTE 4 : SHORT TERM BORROWINGS

		<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
UNSECURED			
12.5% Fully Convertible Debentures 2272 (2272) Debentures of Rs.125 each	284000		
Less: Allotment money in arrears	<u>142000</u>	142000	142000
Intercorporate Loans			
From Related Parties		27000000	2500000
From Others		113050000	33050000
		<u>140192000</u>	<u>35692000</u>

Fully Convertible Debentures of Rs. 125 each were allotted on 25.01.1993 which were convertible into 5 fully paid up Equity Shares of Rs.10 each at a premium of Rs. 15 per Equity Share after six months of allotment.

NOTE 5 : OTHER CURRENT LIABILITIES

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
Interest accrued and due on borrowings	7323768	4840002
Interest accrued but not due on borrowings	4437751	3555398
Income received in advance	-	72581
Advances and Deposits	47500000	85000000
Statutory Dues	1126195	301937
Other Liabilities for expenses	1937430	1585180
	<u>62325144</u>	<u>95355098</u>

No amount is due to micro and small enterprises

NOTE 6 : SHORT TERM PROVISIONS

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
Provision for Leave Encashment	577549	582238
Provision for Standard Assets as per RBI Prudential Norms	191786	44444
	<u>769335</u>	<u>626682</u>

NOTE 7 : FIXED ASSETS

DESCRIPTION	As at 31st March, 2014		Sold during the year		As at 31st March, 2015		D E P R E C I A T I O N		NET CARRYING VALUE			
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	As at 31st March, 2014	During the year	Adjustments on sales	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
Land	3425098	-	-	3425098	-	-	-	-	-	-	3425098	3425098
Building	28865465	-	-	28865465	7256951	1006837	-	-	-	8263788	20601677	21608514
Vehicles	817804	-	-	817804	85592	100217	-	-	-	185809	631995	732212
Furniture & Office Equipments	1451787	-	-	1451787	1191478	247762	-	-	-	1439240	12547	260309
Computers	565268	-	-	565268	478917	85251	-	-	-	564168	1100	86351
TOTAL	35125422	-	-	35125422	9012938	1440067	-	-	-	10453005	24672417	26112484
	(36059291)	(933869)	(35125422)	(8890308)	(662111)	(539481)	(9012938)	(26112484)	(27168983)			

Pursuant to enactment of Companies Act, 2013, the Company has provided depreciation based upon useful life assigned to each assets in accordance with Schedule II of the Company Act, 2013, the written down value of fixed assets whose useful lives have expired as at 1st April, 2014 have been adjusted, on the opening balance of Profit & Loss Account amounting to Rs. 370540.



NOTE 8 : NON CURRENT INVESTMENTS

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
NON - TRADE (AT COST)		
(I) Unquoted		
In Assocaite		
7200 (7200) Equity Shares of Rs.10 each fully paid of Carma Arts & Crafts Private Limited.	478800	478800
-- (1533333) Equity Shares of Rs.10 each fully paid of Boutique Hotels India Private Limited.	-	60000000
TOTAL (I)	<u>478800</u>	<u>60478800</u>
(II) Quoted		
In Promotee Company		
4107000 (4107000) Ordinary Shares of Rs.10 each fully paid of The Sirpur Paper Mills Limited	280490309	280490309
In Others		
3750 (3750) Equity Shares of Rs. 10 each fully paid of Hindustan Commercial Investment Trust Limited	25000	25000
140 (140) Equity Shares of Rs.10 each fully paid of International Paper APPM Limited (Formerly known as Andhra Paper Mills Limited)	14671	14671
384 (384) 6.75% Tax Free US 64 Bonds of Rs.100 each fully paid of Unit Trust of India	38400	38400
TOTAL (II)	<u>280568380</u>	<u>280568380</u>
TOTAL A (I + II)	<u>281047180</u>	<u>341047180</u>
Less : Diminution in value of investments	25000	25000
a) Aggregate value of	<u>281022180</u>	<u>341022180</u>
Quoted Investments	280568380	280568380
Unquoted Investments	478800	60478800
b) Market value of Quoted Investments	48914814	62579245
c) Undertaking for non disposal of 4107000 Ordinary Shares of Rs.10 each of The Sirpur Paper Mills Limited has been given to financial institution against sanction of term loan to the said company.		

NOTE 9 : DEFERRED TAX ASSETS (NET)

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
Deferred Tax Liability :		
Depreciation	-	80980
	-	80980
Deferred Tax Assets		
Losses under Income Tax Act	3719141	3784939
Disallowances under Income Tax Act	178463	193645
	<u>3897604</u>	<u>3978584</u>
Deferred Tax Assets (Net)	<u>3897604</u>	<u>3897604</u>

NOTE 10 : CURRENT INVESTMENTS

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
Quoted		
(At Cost or fair value whichever is less)		
In Mutual Funds		
Morgan Stanley Liquidity Fund	-	825056
HDFC Liquid Fund - Growth	1403684	-
	1403684	825056
NAV of Mutual Fund as on 31st March, 2015	Rs 1457762 (827280)	

NOTE 11 : INVENTORIES

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
Stock in trade (As per inventories taken, valued at cost or net realisable value, which ever is lower and certified by the management)		
Shares & Securities - Quoted		
<u>No of Shares</u>		
1600	72960	72960
10000	22960	22960
300	449	449
5 @	651	651
41300	20614	20614
8000	11979	11979
4400	10103	10103
700	8358	8358
350	646	646
-	-	13575
7600	45522	45522
2000	23959	23959
133	995	995
100 @	1561	1561
200 @	270	270
340	1690	1690
10	3038	2482
	225755	238774
Market Value of quoted Shares	225872	238782
(Where market value is not available, carrying amount has been taken as market value)		

@ Not registered in the name of the company.



NOTE 12 :TRADE RECEIVABLES

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
(Unsecured,considered good) Debts outstanding for a period exceeding six months	-	3506000
	<u>-</u>	<u>3506000</u>

NOTE 13 :CASH AND CASH EQUIVALENTS

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
Cash in hand (As per books & certified)	26542	45964
Balances with Scheduled Banks: In Current Accounts	45288986	398038
	<u>45315528</u>	<u>444002</u>

NOTE 14 : SHORT TERM LOANS AND ADVANCES

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
Loans and Advances (Unsecured,considered good)		
To Related Parties	18406478	5000000
To Others	53260754	10850260
	<u>71667232</u>	<u>15850260</u>

NOTE 15 : OTHER CURRENT ASSETS

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
Interest accrued on loans	5675918	1927130
Advances recoverable in cash or in kind or for value to be received	415402	186894
Income tax payments and tax deducted at source (net of provisions)	1420188	1439683
Mat Credit Entitlement	1857032	-
Security and Other Deposits	55788	55788
	<u>9424328</u>	<u>3609495</u>

NOTE 16 : REVENUE FROM OPERATIONS

	<u>As at 31st March, 2015</u> Rupees	<u>As at 31st March, 2014</u> Rupees
Sale of Shares	28000	-
Interest Income -Tax deducted at source Rs 878717 (Rs 370496)	8797995	2633123
	<u>8825995</u>	<u>2633123</u>

NOTE 17 : OTHER INCOME

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
Interest -Tax deducted at source Rs Nil (Nil)	96373	108619
Dividend	46	600
Rent -Tax deducted at source Rs 465000 (Rs 382500)	4722581	4050000
Miscellaneous Income	269207	3397694
Claims Received	-	12776644
Profit on Sale of Investments	-	434110
	<u>5088207</u>	<u>20767667</u>

Dividend includes Rs NIL (Nil) from Long Term Investments

NOTE 18 : CHANGES IN INVENTORY OF STOCK IN TRADE

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
Opening Inventory		
Shares & Securities	238774	238376
Less: Closing Inventory		
Shares & Securities	225755	238774
Decrease / (Increase) in Inventory	<u>13019</u>	<u>(398)</u>

NOTE 19 : EMPLOYEE BENEFITS EXPENSE

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
Salaries, Bonus & Allowances	2480609	2136842
Contribution to Provident & Allied Funds (including Administration Charges)	136061	103944
Contribution to Gratuity Fund	2500	2247
Welfare Expenses	141101	123861
	<u>2760271</u>	<u>2366894</u>



NOTE 20 : OTHER EXPENSES

	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Rent	468358	468358
Rates & Taxes	9908	27312
Insurance	18961	25451
Directors' Meeting Fee	24000	30000
Travelling & Conveyance	378130	241801
Vehicles' Expenses	174607	190735
Printing & Stationery	226519	210667
Postage & Telephone Expenses	376768	221842
Legal & Professional Charges	1639311	1141596
Advertisement Expenses	112195	71380
Miscellaneous Expenses	355024	237646
Auditors' Remuneration :		
As Audit Fee	28090	28090
For Tax Audit	5618	5618
For Certification	<u>7023</u>	9383
Repairs and Maintenance :		
On Others	209213	208728
Loss on Sale of Investments	18218048	289388
Provision for Standard Assets as per RBI Prudential Norms	<u>147342</u>	44444
	<u>22399115</u>	<u>3452439</u>

PROXY FORM

ARAVALI SECURITIES & FINANCE LIMITED

CIN:L67120HR1980PLC039125

Regd. Office: Institutional Area, Plot no. 39, Sector 44, Gurgaon-122003

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014

Name of the member(s)	
Registered address	
E-mail Id	
Folio No./ DP Id/ Client Id	

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

2. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

3. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the Company, to be held on Monday, the 29th day of June, 2015 at 10 a.m. at Institutional area, Plot no. 39, Sector 44, Gurgaon-122003 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Resolution
Ordinary Business	
1	Adoption of Audited Financial Statement for the year ended March 31, 2015
2	Re-appointment of Mrs. Malvika Poddar as Director of the Company
3	Appointment of Auditors and fix their remuneration
Special Business	
4	Appointment of Mr. Suresh Kumar Lakhotia as Independent Director
5	Approval of transaction with related party
6	Approval of transaction with related party

Signed this.....day of.....2015

Signature of shareholder

Signature of Proxyholder(s)

Affix Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.