



ARAVALI SECURITIES & FINANCE LIMITED

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

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CIN: L67120HR1980PLC039125



NOTICE

Notice is hereby given that the 34th Annual General Meeting of the members of Aravali Securities & Finance Limited will be held on Tuesday, the 30th day of September, 2014, at 11.00 a.m. at Plot No. 371, Udyog Vihar, Phase - VI, Sector 37, Gurgaon, Haryana-122001 to transact the following business.

ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Devashish Poddar (DIN:00457349), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company and to fix their remuneration and pass the following resolution thereof:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Salarpuria & Partners, Chartered Accountants, New Delhi, (Firm Registration No. 302113E) be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Thirty Seventh (37th) Annual General Meeting of the Company to be held in the year 2017, subject to ratification by the members at every subsequent Annual General Meeting, at such remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To appoint Mr. R.A.Kila (DIN: 00326165) as an Independent Director 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 Sections 149, 152, all other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act and Listing Agreement, Mr. R. A. Kila (DIN: 00326165), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment 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 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019."

5. To appoint Mr. Naresh Birla (DIN: 02902650) as an Independent Director 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 Sections 149, 152, all other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act and Listing Agreement, Mr. Naresh Birla (DIN: 02902650), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment 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 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019."

6. To appoint Mr. Ashok Kumar Sharma (DIN: 03558843) as an Independent Director 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 Sections 149, 152, all other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act and Listing Agreement, Mr. Ashok Kumar Sharma (DIN: 03558843), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, who is eligible for appointment 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 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019."

7. To appoint Mrs. Malvika Poddar (DIN: 00457245) as 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 Mrs. Malvika Poddar (DIN: 00457245), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f August 13, 2014 pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. To fix the limit of borrowing of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed under Section 293(1)(d) of the erstwhile Companies Act, 1956 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee thereof), to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business, shall not be in excess of Rs. 40 crore (Rupees forty crore only) over and above the aggregate of the paid up share capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To approve and adopt new Articles of Association of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules framed there under (including any statutory modification(s) or re- enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Place: Gurgaon, Haryana
Dated : 30th August, 2014.

By Order of the Board of Directors
For ARAVALI SECURITIES & FINANCE LIMITED

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 9 of the notice, is annexed hereto.
3. The details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of Director's seeking appointment / re-appointment at the Annual General Meeting, is annexed hereto.
4. 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.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 26th day of September, 2014 to Tuesday, the 30th day of September, 2014 (both days inclusive).
6. Members/Proxies should bring the admission slip duly filled in for attending the Meeting along with their copy of the report and accounts.
7. 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.
8. 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.
9. 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).
10. 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.
11. 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.
12. 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.
13. 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.

14. E-voting Facility

The Company has also provided e-voting facility to its members to enable them to exercise their right to vote at the 34th AGM through electronic means. The Company has engaged National Securities Depository Limited ("NSDL") to provide e-voting facility to the members of the Company.

The instructions for 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 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 e-voting (In both the cases mentioned at Sr. No. 14 (A) & 14 (B) above):
 - i) Open the internet browser and type the following URL: <https://www.evoting.nsdl.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. 14 (A) above) or in physical form (as per Sr. No. 14 (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 e-voting opens. Click on 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 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 August 22, 2014.
 - 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) In case of shares held by companies, societies, trusts, etc., they are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at singh_hardev@rediffmail.com with a copy marked to companysecretary@aravalisecurities.com
- D. The e-voting period shall commence on Tuesday, September 23, 2014 (9:00 a.m.) and ends on Thursday, September 25, 2014 (6:00 p.m.). The e-voting module shall be disabled by NSDL for voting thereafter.
- E. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders, available at the downloads section of www.evoting.nsdl.com
- F. The Company has appointed Mr. Hardev Singh, Practicing Company Secretary (Membership No. FCS 6673) as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of AGM.



- H. The results of resolutions shall be declared at the AGM. The results declared alongwith scrutinizer's report(s) will also be hosted on the Company's website www.aravalisecurities.com and the website of NSDL within two days of passing of the resolutions.

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

FOR ITEM NOS. 4 TO 6:

The Company had, pursuant to the provisions of clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. R. A. Kila, Mr. Naresh Birla and Mr. Ashok Kumar Sharma as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (come into force w.e.f. 1st October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this Annual General Meeting.

Mr. R. A. Kila, Mr. Naresh Birla and Mr. Ashok Kumar Sharma, Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

Mr. R. A. Kila, Mr. Naresh Birla and Mr. Ashok Kumar Sharma are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of each of Mr. R. A. Kila, Mr. Naresh Birla and Mr. Ashok Kumar Sharma for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors 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.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith.

Mr. R. A. Kila, Mr. Naresh Birla and Mr. Ashok Kumar Sharma are deemed to be interested in the resolutions set out respectively at Item Nos. 4 to 6 of the Notice with regard to their respective appointments.

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

Save and except the above, none of the other Directors or any 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 above resolutions.

FOR ITEM NO. 7:

The Board of Directors at its meeting held on August 13, 2014 appointed Mrs. Malvika Poddar, as an Additional Director of the Company. According to the provisions of Section 161 of the Companies Act 2013, she holds office as Director only up to the date of the ensuing Annual General Meeting. As required under Section 160 of the Companies Act, 2013, notice has been received from a member signifying the intention to propose her appointment, as a Director along with the deposit of requisite amount.

Mrs. Malvika Poddar, Bachelor of Business Administration from London. She has a vast experience in the business.

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

Mrs. Malvika Poddar is deemed to be interested in the said resolution as it relates to her appointment. Mr. Ranjan Kumar Poddar, Chairman & Managing Director and Mr. Devashish Poddar who are her relatives, may be deemed to be concerned or interested in the appointment of Mrs. Malvika Poddar.

None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

FOR ITEM NO. 8:

The members of the Company at the Extra-Ordinary General Meeting held on 18th May, 1992 had authorised Board of Directors to exercise borrowing powers the outstanding amount of which at any time shall not exceed in the aggregate Rs. 75 Crore (Rupees seventy five crore only).

Section 180(1)(c) of the Companies Act, 2013 which has replaced Section 293(1)(d) of the Companies Act, 1956 provides that the Board of Directors shall not borrow in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the ordinary resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September, 2014.

Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(c) of the Companies Act, 2013, to enable to the Board of Directors to borrow money the outstanding amount of which at any time shall not exceed in the aggregate Rs.40 Crores (Rupees forty crore only).

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

None of the Directors or any 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 above resolution.

FOR ITEM NO. 9:

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AoA by a set of new Articles.

The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

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

None of the Directors or any 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 above resolution.

Place: Gurgaon, Haryana
Dated : 30th August, 2014.

By Order of the Board of Directors
For ARAVALI SECURITIES & FINANCE LIMITED
Sd/-

ANURADHA RAWAT
Company Secretary
(ACS-28185)



ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Name of Director	Mr. R. A. Kila
Date of Birth	02.03.1958
Date of Appointment	25.07.2005
Qualification	Chartered Accountant
Expertise in specific functional area	A practicing Chartered Accountant with decades of professional experience in the various gamuts of audit and other related cases.
Directorship in other Companies	Perfect Capital Services Ltd. Teekay Innovations Pvt. Ltd. Oasis Capital Services Pvt. Ltd.
Committee position held in other Companies	Nil

Name of Director	Mr. Naresh Birla
Date of Birth	22.07.1969
Date of Appointment	30.05.2011
Qualification	Graduation in Commerce
Expertise in specific functional area	Entrepreneurship qualities and vast experience in the accounting field.
Directorship in other Companies	India Web Business Ltd.
Committee position held in other Companies	Nil

Name of Director	Mr. Ashok Kumar Sharma
Date of Birth	15.09.1951
Date of Appointment	30.05.2011
Qualification	Graduation in Commerce
Expertise in specific functional area	Well experienced and possess administrative qualities in Corporate Sector.
Directorship in other Companies	Nil
Committee position held in other Companies	Nil

Name of Director	Mrs. Malvika Poddar
Date of Birth	13.07.1972
Date of Appointment	13.08.2014
Qualification	BBA from London
Expertise in specific functional area	Well experienced and possess expertise in the business.
Directorship in other Companies	Motto Investment Pvt. Ltd. Carma Arts & Crafts Pvt. Ltd. Carma Creative Pvt. Ltd.
Committee position held in other Companies	Nil

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors take the pleasure in presenting their Report and Audited Financial Statements of the Company along with Auditors' Report thereon for the year ended 31st March, 2014.

WORKING RESULTS

	2013-2014 (Rupees in lacs)	2012-2013 (Rupees in lacs)
Profit before interest, depreciation and taxes	175.82	144.94
Less : Interest	152.28	240.03
Profit/(Loss) before depreciation and taxes	23.54	(95.09)
Less : Depreciation	6.62	6.96
Profit/(Loss) before provision of tax	16.92	(102.05)
Less : Provision for Income Tax		
Current Tax	5.23	-
Deferred Tax	156.98	19.53
In respect of earlier years	0.05	-
Profit/(Loss) after Taxation	(145.34)	(121.58)
Add: Balance brought forward from previous year	(166.62)	(45.04)
BALANCE CARRIED TO BALANCE SHEET	(311.96)	(166.62)

DIVIDEND

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW :

Your Company has a profit of Rs. 16.92 lacs after depreciation and interest. Further a provision for income tax in respect of earlier years and deferred tax of Rs. 0.05 lacs and Rs. 156.98 lacs respectively has been made in the accounts. The loss of Rs. 311.96 lacs including brought forward loss of Rs. 166.62 lacs has been carried to the Balance Sheet.

RESOURCES AND LIQUIDITY :

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

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.

BUSINESS REVIEW :

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.

OPPORTUNITIES :

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.

CHALLENGES :

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.

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.

RISK AND CONCERNS :

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.

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.

HUMAN RESOURCE DEVELOPMENT:

ASFL appreciates the importance of its people and the key role that they play in achieving objectives through strategy implementation. Our people are equipped with the knowledge, skills and motivation that gives ASFL a leading advantage.

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 :

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Devashish Poddar (DIN:00457349), Director of the Company retire by rotation and being eligible offer himself for re-appointment.

As per Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. R.A.Kila (DIN:00326165), Mr. Naresh Birla (DIN:02902650) and Mr. Ashok Kumar Sharma (DIN:03558843) as Independent Directors for five consecutive years for a term up to the conclusion of the 39th Annual General Meeting of the Company in the calendar year 2019.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That they have prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT:

The Statutory Auditors of the Company, M/s. Salarpuria & Partners, Chartered Accountants, (Firm Registration No. 302113E), who retire at the conclusion of ensuing Annual General Meeting, being eligible, offer themselves for re-appointment for a term of 3(Three) years in accordance with the provisions of Section 139 of the Companies Act, 2013.

Auditors in the Annexure to their report have drawn attention to the Point No. 2(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.

PARTICULARS OF EMPLOYEES:

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualify for such disclosure.

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.

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, which is attached hereto and forms part of this Director's Report.

ACKNOWLEDGEMENT :

Your Directors would like to express their sincere appreciations 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.

By Order of the Board of Directors
For ARAVALI SECURITIES & FINANCE LIMITED

Sd/-

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

Place: Gurgaon, Haryana
Date: 13th August, 2014.