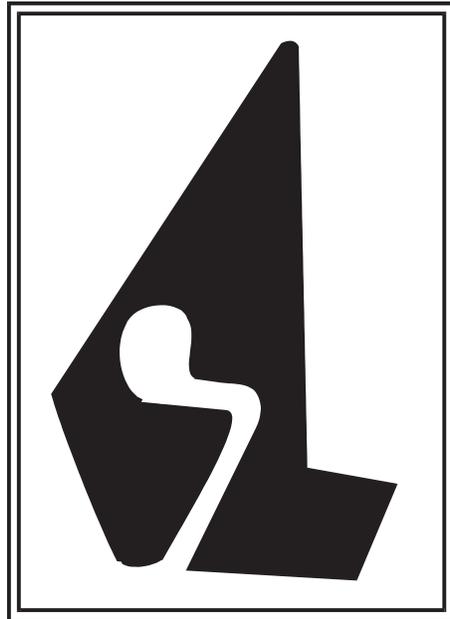


**ARAVALI SECURITIES & FINANCE LIMITED**



**37TH ANNUAL REPORT 2016-2017**



## ARAVALI SECURITIES & FINANCE LIMITED

<b>BOARD OF DIRECTORS</b>	<ol style="list-style-type: none"><li>1. Mr. Ranjan Kumar Poddar</li><li>2. Mr. Devashish Poddar</li><li>3. Mrs. Malvika Poddar</li><li>4. Mr. Naresh Birla</li><li>5. Mr. Ashok Kumar Sharma</li><li>6. Mr. Suresh Kumar Lakhotia</li></ol>
<b>CHEIF FINANCIAL OFFICER</b>	Mr. Sushil Kumar
<b>COMPANY SECRETARY</b>	Mr. Mohit Kaushik
<b>AUDITORS</b>	Salarpuria & Partners, Chartered Accountants, New Delhi.
<b>BANKERS</b>	Punjab National Bank
<b>REGISTERED OFFICE</b>	Plot No. 136, Rider House, 4th Floor, Sector 44, Gurgaon - 122003.
<b>CORPORATE OFFICE</b>	311, Rakesh Deep Building, Community Commercial Complex, Gulmohar Enclave Extn, Yusuf Sarai, New Delhi-110049
<b>SHARE &amp; TRANSFER AGENT</b>	<b>M/s. Skyline Financial Services Pvt. Ltd.</b> D-153/A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi-110020. Tel.: 011-26812682, 83

## PROXY FORM

### ARAVALI SECURITIES & FINANCE LIMITED

CIN:L67120HR1980PLC039125

Regd. Office: Plot no. 136, Rider House, 4<sup>th</sup> Floor, Sector 44, Gurgaon-122003, Haryana  
[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 37th Annual General Meeting of the Company, to be held on Wednesday, the 27th day of September, 2017 at 11 a.m. at Plot No-1, Huda Gymkhana Club, Sector-4, Behind Huda Market, Gurgaon - 122006 (Haryana) and at any adjournment there of in respect of such resolutions as are indicated below:

Resolution no.	Resolution
<b>Ordinary Business</b>	
1	Adoption of Audited Financial Statement for the year ended March 31, 2017
2	Re-appointment of Mr. Devashish Poddar as Director of the Company
3	Appointment of Auditors and fix their remuneration
<b>Special Business</b>	
4	Re-appointment of Mr. Ranjan Kumar Poddar as Managing Director

Signed this.....day of.....2017

\_\_\_\_\_  
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.**



## ARAVALI SECURITIES & FINANCE LIMITED

Registered Office: Plot no. 136, Rider House, 4<sup>th</sup> Floor, Sector 44, Gurgaon-122003, Haryana

Email: info@aravalisecurities.com Website: www.aravalisecurities.com

Phone no.:+91-124-4556677 Fax: +91-124-4556677

CIN: L67120HR1980PLC039125

### NOTICE

Notice is hereby given that the 37th Annual General Meeting of the members of Aravali Securities & Finance Limited will be held on Wednesday, the 27th day of September, 2017, at 11.00 a.m. at, Huda Gymkhana Club, Plot No1, Sector 4, Behind HUDA Market, Gurgaon- 122006 (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, 2017, 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 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. SPMR& Associates, Chartered Accountants, New Delhi (Firm Registration No. 07578N), be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. Salarpuria & Partners, Chartered Accountants, New Delhi (Firm Registration No. 302113E), the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company to be held in the year 2018, on such remuneration as may be decided by the Board."

#### **SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V thereof, the recommendations of the Board of Directors, the consent of Members of the Company be and is hereby accorded to the re-appointment of Mr. Ranjan Kumar Poddar (DIN 00290949) as Managing Director of the Company for a period of Five Years with effect from September 5, 2017 to September 4, 2022 without payment of any remuneration and perquisites and who shall not be liable to retire by rotation as director of the company till he hold such office and on the following terms and conditions:

- (a) The appointment may be terminated by any party giving a three months notice.
- (b) If at any time the appointee ceases to be a director of the company, he shall cease to be the Managing Director.
- (c) The appointee shall manage the whole affairs or substantially the whole affairs of the Company subject to the superintendence, control and directions of the Board of Directors.
- (d) The appointee shall not supplement his earning under the contract with any buying or selling commission. He shall also not become interested or concerned directly or through his wife or children in any buying or selling agency of the company.
- (e) No sitting fee shall be paid to the appointee for attending the meeting of the Board of Directors or a committee thereof of the company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

By Order of the Board of Directors

Place : Gurgaon

Dated : 11<sup>th</sup> August, 2017

Mohit Kaushik  
Company Secretary  
(ACS-29968)

## 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. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 22nd day of September, 2017 to Wednesday, the 27th day of September, 2017 (both days inclusive).
4. Members/Proxies are requested to bring the admission slip duly filled in for attending the Meeting along with their copy of the report and accounts.
5. 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.
6. Electronic copy of the Annual Report for the financial year 2016-17 and notice of 37th Annual General Meeting are being sent to all the Members whose E-mail IDs are being registered with the Company/ Depository participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their E-mail addresses, physical copies of the Annual Report for the financial year 2016-17 and Notice of 37th Annual General Meeting are being sent in the permitted mode.
7. All documents referred to in the accompanying notice 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. **Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - II. The facility for voting through Polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The remote e-voting period commences on 24<sup>th</sup> September, 2017 (9:00 a.m.) and ends on 26<sup>th</sup> September, 2017 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - V. The process and manner for remote e-voting are as under:



- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**
- (i) Open email and open the attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Aravali Securities & Finance Limited"
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (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) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [kumarcs7@gmail.com](mailto:kumarcs7@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:**
- i) The user ID and initial password for remote e-voting is provided on the covering letter enclosed with the Annual Report.
  - ii) Please follow steps from sl. no. (ii) to (xi) under heading A above to vote through e-voting platform.
- VI.** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990.
- VII.** If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII.** 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).
- IX.** The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2017.
- X.** Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or company secretary@aravali securities.com. 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.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI.** A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII.** 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 as well as voting at the AGM through Polling paper.
- XIII.** Mr. Nitesh Kumar Sinha, Practising Company Secretary (ICSI CP Registration No. 7648) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV.** 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 Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV.** The Scrutinizer shall after the conclusion of voting at the AGM, 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.

- XVI. The Results declared alongwith 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.
13. Information required to be furnished under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of directors seeking appointment/ re-appointment:

Name of Director	Mr. Devashish Poddar
Directors Identification Number	00457349
Date of Birth	15.09.1972
Date of Appointment	13.05.2010
Qualification	BBA from London
Expertise in specific functional area	Well experienced and possess expertise in the business.
Shareholding in Aravali Securities & Finance Ltd.	Nil
Directorship in other Companies	Devi Developers Pvt. Ltd. Boutique Hotels India Pvt. Ltd. upto 31-12-16 Devi Business Hotel Pvt. Ltd. upto 31-12-16
Committee position held in other Companies	Nil

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

The following statement sets out all material facts relating to certain Ordinary Business and all the Special Businesses mentioned in the accompanying Notice:

**Item No. 3**

- (a). In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Salarpuria & Partners, Chartered Accountants, New Delhi (FRN: 302113E) shall retire at the conclusion of the Annual General Meeting of the Company. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors has, on recommendation of the Audit Committee, recommended for the appointment of M/s. SPMR & Associates, Chartered Accountants, New Delhi (Firm Registration No. 07578N) as the Statutory Auditors at the Annual General Meeting to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company to be held in the year 2018, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors. Consent and certificate u/s 139 of the Companies Act, 2013 have been obtained from M/s SPMR & Associates., Chartered Accountants, to the effect that their appointment, if made, shall be in accordance with the applicable provisions of the Act and the Rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. SPMR & Associates, Chartered Accountants, New Delhi (Firm Registration No. 07578N), has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.
- (b). None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company is, in any way, financially or otherwise, concerned or interested in the resolution.

**Item No. 4**

Mr. Ranjan Kumar Poddar has worked as Managing Director from 6th September 2012 without any remuneration, So it is proposed to ratify his re-appointment for a period of five years with effect from 5th September, 2017, without any payment of remuneration, as here remuneration was nil so no remuneration committee was constituted.

Keeping in view that Mr. Ranjan Kumar Poddar has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Mr. Ranjan Kumar Poddar as Managing Director.

Upon approval by the members, a separate agreement to give effect to the above terms will be executed by and between the Company and Mr. Ranjan Kumar Poddar. All other existing terms and conditions for the re-appointment shall remain unchanged.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Except Mr. Ranjan Kumar Poddar himself, Mr. Devashish Poddar and Mrs. Malvika Poddar being relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution set out at item no. 4.

By Order of the Board of Directors

Place : Gurgaon

Dated : 11<sup>th</sup> August, 2017

Mohit Kaushik  
Company Secretary  
(ACS-29968)



## DIRECTORS' REPORT

### TO THE MEMBERS

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, 2017.

### WORKING RESULTS

	2016-17 (Rupees in lacs)	2015-16 (Rupees in lacs)
<b>Profit/(Loss) before interest, depreciation and taxes</b>	<b>39.15</b>	65.51
Less : Interest	<b>166.38</b>	100.95
Profit/(Loss) before depreciation, NPA's and Taxes	<b>(67.23)</b>	(35.44)
Less : Depreciation	<b>7.00</b>	10.70
<b>Profit/(Loss) Before Tax &amp; Provisions</b>	<b>(74.23)</b>	(46.14)
Less: Provision for Diminution in value of Investment	-	2394.20
<b>Profit/(Loss) Before Tax</b>	<b>(74.23)</b>	(2440.34)
Less : Tax In respect of earlier years	<u><b>0.06</b></u>	<u>0.31</u>
<b>Profit/ (Loss) after Taxation</b>	<b>(74.29)</b>	(2440.65)
Add: Balance brought forward from previous year	<b>(3047.52)</b>	(606.86)
<b>CLOSING BALANCE</b>	<u><b>(3121.81)</b></u>	<u>(3047.52)</u>

### DIVIDEND

Your directors are not recommending any payment on account of dividend

### CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of the business of the Company.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### A. FINANCIAL REVIEW

Your Company has a loss of Rs. 74.23 lakh after depreciation and interest. Further, a provision for income tax in respect of earlier years of Rs. 0.06 lakh has been made in the accounts. The loss of Rs. 3121.81 lakh including brought forward loss of Rs. 3047.52 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 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.

#### **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:**

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.

The Company received declaration made by the independent directors of the Company that they fulfill the criteria given under Section149(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**

Carma Creative Pvt. Ltd.	-	Associate Company
The Sirpur Paper Mills Ltd.	-	Associate Company
Devi Overseas Private Ltd.	-	Associate Company
Devi Developers Private Ltd.	-	Associate Company
Carma Arts & Crafts Pvt. Ltd.	-	Associate Company
The Boutique Hotels India Pvt. Ltd. (upto 31-12-16)	-	Associate Company
Devi Business Hotels Pvt. Ltd. (upto 31-12-16)	-	Associate Company



## **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year under review were on arms length basis and were also in the ordinary course of business. There were no materially significant related party transactions entered into by the Company with the promoters, directors, key managerial personnel which may have a potential conflict with the interests of the Company at large.

The Related Party Transactions policy as approved by the Board of Directors is uploaded on the Company's website [www.aravalisecurities.com](http://www.aravalisecurities.com).

## **AUDITORS AND AUDITOR'S REPORT:**

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Salarpuria & Partners, Chartered Accountants, New Delhi (Firm Registration No. 302113E), Delhi as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting of the Company. The Board of Directors of the Company at their meeting held on 11th August, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. SPMR & Associates, Chartered Accountants, New Delhi (Firm Registration No. 07578N) as the Statutory Auditors of the Company by the Members at the 37th Annual General Meeting of the Company. Accordingly, a resolution, proposing appointment of M/s. SPMR & Associates, Chartered Accountants, New Delhi (Firm Registration No. 07578N), as the Statutory Auditors of the Company to hold office from the conclusion of 37th Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the notice of the 37th Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) of the Act. M/s. Salarpuria & Partners, over many years have successfully met the challenge that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, ethical standards, rigour and quality in their audit. The Board place on record its appreciation for the services rendered by M/s. Salarpuria & Partners, as the Statutory Auditors of the Company.

The Report given by M/s. Salarpuria & Partners, Chartered Accountants, New Delhi (Firm Registration No. 302113E), Statutory Auditors on the financial statement of the Company for the year 2016-17 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report except as under:

Auditors in the annexure to their report have drawn attention to the Point No. ii 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. viii, 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-A to this report.

## **INTERNAL AUDITORS**

The Board of Directors of your Company has re-appointed M/s Rajan Goel & Associates, Chartered Accountants, New Delhi (Firm Registration No.004624N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2017-18.

## **EXTRACTS OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is given in Annexure-B to this report

## **BUSINESS RISK MANAGEMENT:**

The Company has laid down a well defined Risk Management Policy to identify the risks associated with the business of the Company on a periodical basis and review the minimization programs to mitigate them.

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

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy of the Company can be accessed at [www.aravalisecurities.com](http://www.aravalisecurities.com).