

December 06, 2020

To,
The Department of Corporate Services
BSE Limited
P. J. Towers,
Dalal Street,
Mumbai -400001.

SUB: - REGULATION 30 AND 34(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 - SUBMISSION OF NOTICE AND ANNUAL REPORT OF AARNAV FASHIONS LIMITED (THE COMPANY)

SCRIPT CODE: 539562


SECURITY ID: AARNAV

Dear Sir, Pursuant to Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Please find enclosed herewith the copy of Annual Report along with the Notice for convening the 37th Annual General Meeting of the Members of the Company scheduled to be held on Tuesday, 29th December, 2020 at 01:00 P.M. at Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405, Gujarat, India at 01.00 P.M.

The Copy of the Annual Report is also available on the website of the Company i.e. www.aarnavgroup.com Kindly take the above in your record.

Yours faithfully,

FOR AARNAV FASHIONS LIMITED


NIDHI AGRAWAL
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS-51021



AARNAV FASHIONS LIMITED

**ANNUAL REPORT
2019-2020**



**AARNAV FASHIONS LIMITED
CIN: L17100GJ1983PLC028990
REGISTERED OFFICE:
1, NEW CLOTH MARKET,
O/S RAIPUR GATE, RAIPUR,
AHMEDABAD, GUJARAT,
INDIA-380002**

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BOARD OF DIRECTORS	<p>MR. CHAMPALAL GOPIRAM AGARWAL MR. SUMIT CHAMPALAL AGARWAL MR. MADHUR MURARI TODI MR. SOURABH VIJAY PATAWARI MR. KULDEEP ASHOKBHAI SHAH MS. NIDHI AGGRAWAL</p>	<p>DIRECTOR & CHAIRMAN MANAGING DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR INDEPENDENT DIRECTOR NON-EXECUTIVE DIRECTOR</p>
COMPANY SECRETARY & COMPLIANCE OFFICER	MS. NIDHI AGGRAWAL	ACS-51021
CHIEF FINANCIAL OFFICER	MR. RADHAKISHAN LEKHARAM SHARMA	PAN: ACOPS3496G
SECRETARIAL AUDITOR:	RAVI KAPOOR & ASSOCIATES COMPANY SECRETARY IN PRACTICE	FCS NO: 2587 C P NO: 2407
AUDITORS	M/S. NAHTA JAIN & ASSOCIATES CHARTERED ACCOUNTANTS	FRN: 106801W
SHARE REGISTRARS &	MCS SHARE TRANSFER AGENT LIMITED 12/1/5, MANOHARPUKAR ROAD, GROUND FLOOR, KOLKATA- 700026	
REGISTERED OFFICE	1, NEW CLOTH MARKET, O/S RAIPUR GATE, RAIPUR, AHMEDABAD - 380002, GUJARAT EMAIL: aarnavfashions@gmail.com	
BANKERS	PUNJAB NATIONAL BANK VANIJYA BHAWAN BRANCH, AHMEDABAD.	
WEBSITE	www.aarnavgroup.com	
CIN	L17100GJ1983PLC028990	

NOTICE

Notice is hereby given that the 37th Annual General Meeting of **AARNAV FASHIONS LIMITED** will be held on Tuesday, 29th day of December, 2020 at Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405 at 01.00 P.M.

ORDINARY BUSINESS:

1. **TO RECEIVE, CONSIDER, APPROVE AND ADOPT THE AUDITED BALANCE SHEET AND STATEMENT OF PROFIT & LOSS OF THE COMPANY FOR THE YEAR ENDED ON 31ST MARCH, 2020 TOGETHER WITH THE CASH FLOW STATEMENTS & NOTES TO THE ACCOUNTS AND REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON.**
2. **TO DECLARE DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020.**
3. **TO APPOINT A DIRECTOR IN PLACE OF MS. NIDHI SANJAYKUMAR AGRAWAL, DIRECTOR (DIN: 08364168), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HERSELF FOR RE-APPOINTMENT.**

SPECIAL BUSINESS:

4. **Approval of Related Party Transactions with Gopi Synthetics Private Limited pursuant to Section 188 (1) (a) of Companies Act, 2013.**

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 188(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of purchase or supply of any goods or materials as mentioned in Section 188(1)(a) for an amount aggregating the limit upto Rs 200,00,00,000/- (Rupees Two hundred Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Gopi Synthetics Private Limited”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

5. **Approval of Related Party Transactions with Alpine Spinweave Private Limited pursuant to Section 188 (1) (a) of Companies Act, 2013.**

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 188(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of purchase or supply of any goods or materials as mentioned in Section 188(1)(a) for an amount aggregating the limit upto Rs 200,00,00,000/- (Rupees Two hundred Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Alpine Spinweave Private Limited”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

6. Approval of Related Party Transactions with Aarnav Industries Private Limited pursuant to Section 188 (1) (a) of Companies Act, 2013.

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 188(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of purchase or supply of any goods or materials as mentioned in Section 188(1)(a) for an amount aggregating the limit upto Rs 200,00,00,000/- (Rupees Two hundred Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Aarnav Industries Private Limited”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

7. Approval of Related Party Transactions with Aarnav Industries Private Limited pursuant to Section 188 (1) (b) of Companies Act, 2013.

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 188(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of selling or otherwise disposing of, or buying, property of any kind as mentioned in Section 188(1)(b) for an amount aggregating the limit upto Rs 10,00,00,000/- (Rupees Ten Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Aarnav Industries Private Limited”

“**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

8. Approval of Related Party Transactions with Alpine Spinweave Private Limited pursuant to Section 188 (1) (b) of Companies Act, 2013.

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 188(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of selling or otherwise disposing of, or buying, property of any kind as mentioned in Section 188(1)(b) for an amount aggregating the limit upto Rs 10,00,00,000/- (Rupees Ten Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Alpine Spinweave Private Limited”

“**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

9. Approval of Related Party Transactions with Sumit Champalal Agarwal (Prop. Sachi Enterprise) pursuant to Section 188 (1) (b) of Companies Act, 2013.

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 188(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of selling or otherwise disposing of, or buying, property of any kind as mentioned in Section 188(1)(b) for an

amount aggregating the limit upto Rs 5,00,00,000/- (Rupees Five Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Sumit Champalal Agarwal (Prop. Sachi Enterprise)”

“**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

10. Approval of Related Party Transactions with Champalal Gopiram HUF (Prop. Suchita Textiles) pursuant to Section 188 (1) (b) of Companies Act, 2013.

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 188(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of selling or otherwise disposing of, or buying, property of any kind as mentioned in Section 188(1)(b) for an amount aggregating the limit upto Rs 5,00,00,000/- (Rupees Five Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Champalal Gopiram HUF (Prop. Suchita Textiles)”

“**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

11. Approval of Related Party Transactions with Sumit Champalal HUF (Prop. Jash Industries) pursuant to Section 188 (1) (b) of Companies Act, 2013.

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 188(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of selling or otherwise disposing of, or buying, property of any kind as mentioned in Section 188(1)(b) for an amount aggregating the limit upto Rs 5,00,00,000/- (Rupees Five Crores Only) during any financial year that the Company

may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Sumit Champalal HUF (Prop. Jash Industries)”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

12. Approval of Related Party Transactions with Pooja Sumit Agarwal (Prop. Pooja Enterprise) pursuant to Section 188 (1) (b) of Companies Act, 2013.

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 188(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of selling or otherwise disposing of, or buying, property of any kind as mentioned in Section 188(1)(b) for an amount aggregating the limit upto Rs 5,00,00,000/- (Rupees Five Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Pooja Sumit Agarwal (Prop. Pooja Enterprise)”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

13. Approval of Related Party Transactions with Champalal Gopiram Agarwal (Prop. Aarnav Industries) pursuant to Section 188 (1) (b) of Companies Act, 2013.

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 188(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of selling or otherwise disposing of, or buying, property of any kind as mentioned in Section 188(1)(b) for an amount aggregating the limit upto Rs 5,00,00,000/- (Rupees Five Crores Only) during any financial year that the Company

may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Champalal Gopiram Agarwal (Prop. Aarnav Industries)”

“**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

14.Approval of Related Party Transactions with Satyabhama Champalal Agarwal (Prop. Aarnav Textiles) pursuant to Section 188 (1) (b) of Companies Act, 2013.

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 188(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) subject to any statutory modifications or re-enactment for the time being in force and in pursuance to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into any contract or arrangements for transactions of selling or otherwise disposing of, or buying, property of any kind as mentioned in Section 188(1)(b) for an amount aggregating the limit upto Rs 5,00,00,000/- (Rupees Five Crores Only) during any financial year that the Company may enter from time to time in one or more tranches for a period of 5 years from the financial year 2020-21 with related party being Satyabhama Champalal Agarwal (Prop. Aarnav Textiles)”

“**RESOLVED FURTHER THAT** any one of the Directors of the Company or Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

Ahmedabad
December 05, 2020

By order of board

Registered Office
1, New Cloth Market,
O/s Raipur Gate,
Raipur, Ahmedabad,
Gujarat-380002

Nidhi Aggrawal
Company Secretary & Compliance Officer
aarnavfashions@gmail.com
[Tel:-079--29702983](tel:079-29702983)
Website: www.aarnavgroup.com

NOTES:

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 and extant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with respect to the special business set out in the notice is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint a proxy to attend and vote on a Poll instead of himself/herself and the proxy need not be a member of the Company.
3. Proxies, if any, in order to be effective, must be received at the Company’s Registered Office not later than 48 (Forty-Eight) hours before the time fixed for holding the meeting. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of advance notice in writing is given to the Company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. 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.

4. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to all members. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with necessary user id and password along with procedure for such e-voting. Such remote e-voting facility is in addition to the voting that may take place at the Meeting on 29th December, 2020
5. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company a duly certified true copy of the Board Resolutions/authority, authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Any member proposing to seek any clarification on the accounts is requested to send the queries to the Company at its registered office at least seven days prior to the date of Annual General Meeting to enable the management to compile the relevant information to reply the same in the meeting.
7. The Register of Directors’ and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and Register of contracts and arrangements in which Directors are interested maintained under section 189 of the Act will be available for inspection by the members at the Annual General Meeting.
8. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to please bring their folio number/demat account number/DP ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.

9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Relevant documents referred to in the accompanying Notice, are open for inspection by the members at the Registered Office of the Company on all working days (Except Saturday and Sunday) during business hours up to the date of the Meeting.
11. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the meeting.

Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with Company's Registrar and Transfer Agent, M/s MCS Share Transfer Agent Limited, in respect of shares held in physical form.

12. The Members are requested to:

- (a) Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, M/s MCS Share Transfer Agent Limited in respect of their holdings in physical form.

- (b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.

- (c) Non-Resident Indian Members are requested to inform Share Transfer Agents, M/s MCS Share Transfer Agent Limited immediately of the change in residential status on return to India for permanent settlement.

- (d) Register their email address and changes therein from time to time with Share Transfer Agents, M/s MCS Share Transfer Agent Limited for shares held in physical form and with their respective Depository Participants for shares held in demat form.

- (e) Quote their DPID & Client ID or Folio details respectively in all correspondences, including dividend matters to the Registrar and Share Transfer Agents, M/s MCS Share Transfer Agent Limited, 1st Floor, Bharat Tin Works Building, opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059. 12/1/5, Manoharpukar Road, Ground Floor, Kolkata- 700026 (mcssta@rediffmail.com)

- (f) Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., Tuesday, 22nd December 2020 may obtain the login id and password by sending a request at helpdesk.evoting@cdslindia.com

Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for 2019-20 will also be available on the Company's website www.aarnavgroup.com for download.

13. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to specify nominations in respect of the Equity Shares held by them, in physical form. Members desirous of specifying nominations may procure the prescribed form from the Registrar & Share Transfer Agents, M/s MCS Share Transfer Agent Limited and have it duly filled and send back to them.
14. In support of the Green initiative by Ministry of Corporate Affairs and pursuant to section 101 of the Companies Act 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, electronic copy of the Annual Report is being sent to all Members whose email ID's are registered with the Depository Participants for

communication purposes unless any member has requested for a hard copy of the same. For members, who have not registered their email address, physical copies of the Annual Report are being sent to them in the permitted / requisitioned mode.

- 15 Members are requested to note that as per Section 124(5) of the Companies Act, 2013, the dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to the unpaid dividend account, is liable to be transferred by the Company to the “Investor Education Protection Fund” (IEPF) established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.
16. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to Deduction of Tax at Source (“TDS”) will be made within the statutory time limit of 30 days, as under:

To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”), collectively “Depositories”, as of the close of business hours on Tuesday, December 22, 2020; and

To all the members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the RTA as of the close of business hours on Tuesday, December 22, 2020.

Payment of such dividend shall be made through electronic mode to the members who have updated their bank account details. In the event the Company is unable to pay dividend to any member through electronic mode, due to non-registration of the electronic bank mandate, the Company shall dispatch the dividend warrant/bankers’ cheque/demand draft to such member, at the earliest once normalcy is restored.
17. Information required under Regulation 36 of SEBI Listing Regulations in respect of Directors seeking Appointment/Reappointment at the AGM is furnished as annexure to this Notice. The Directors have furnished consent/declarations for their appointment/re-appointment as required under Act and rules made there under.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they maintain their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or the Share Transfer Agents, M/s MCS Share Transfer Agent Limited.
19. The Board of Directors of the Company has appointed M/s Ravi Kapoor & Associates, Practicing Company Secretary as the Scrutinizer to scrutinize the remote e-voting process and poll at the Annual General Meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
20. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member /beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Tuesday, 22ndDecember, 2020.
21. 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, i.e. Tuesday, 22ndDecember, 2020 only shall be entitled to avail the facility of remote e-voting or poll at the Annual General Meeting.
22. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, December 21, 2020 to Monday, December 28, 2020 (both days inclusive) for the purpose of the ensuing Annual General Meeting of the Company.
23. The remote e-voting facility will be available during the following period:

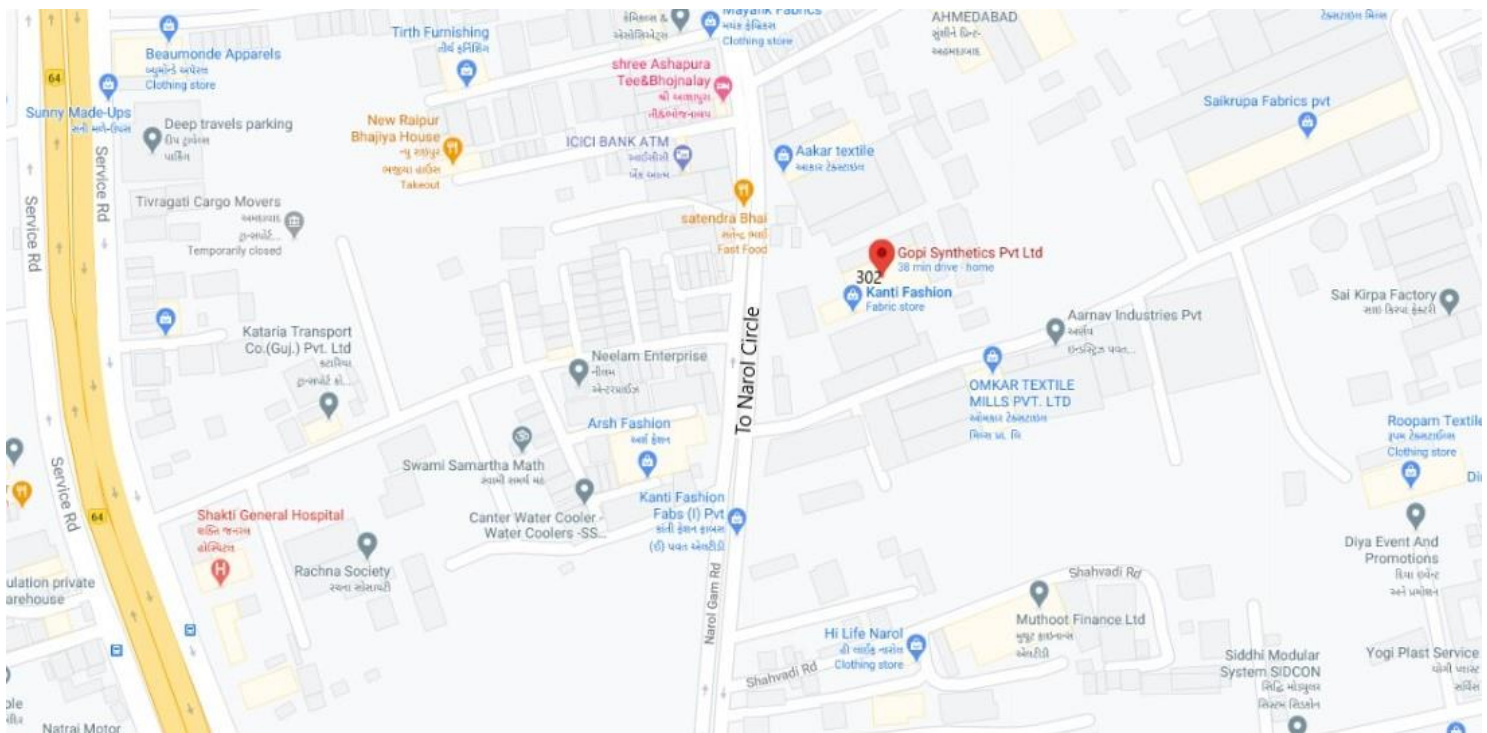
Commencement of remote e-voting: From 9.00 a.m. (IST) on Saturday, 26th December 2020.

End of remote e-voting: At 5.00 p.m. (IST) on Monday, 28th December 2020.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of the aforesaid period.

24. The Scrutinizer, after scrutinizing the votes cast at the meeting (Insta-Poll) and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company www.vsil.co.in and on the website of CDSL <https://evotingindia.com>. The results shall simultaneously be communicated to the Stock Exchanges.

25. Route map and prominent land mark for easy location of the venue of the Meeting are attached herewith in terms of Secretarial Standards 2 (SS-2).



VOTING THROUGH ELECTRONIC MEANS

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER

- (i) The voting period begins on Saturday, December 26, 2020 at 9:00 a.m. and ends on Monday, December 28, 2020 at 5:00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, December 22, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant **AARNAV FASHIONS LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; aarnavfashions@gmail.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact

1. Mr. Nitin Kunder (022-23058738) or
2. Mr. Mehboob Lakhani (022-23058543) or
3. Mr. Rakesh Dalvi (022-23058542)

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Specific Attention of the Members is drawn to the followings:

1. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
2. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and the Company’s Registrars and Transfer Agents to provide efficient and better services.
3. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to MCS SHARE TRANSFER AGENTS LIMITED.
4. As per the provisions of Section 72 of the Act, the facility for making nomination/nominations is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The Nomination Form can be obtained from the MCS SHARE TRANSFER AGENTS LIMITED. Members holding shares in physical form may submit the same to MCS SHARE TRANSFER AGENTS LIMITED. Members holding shares in electronic form may submit the same to their respective depository participant.
5. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request every member to update their email address with concerned Depository Participant and MCS SHARE TRANSFER AGENTS LIMITED to enable us to send you the communications via email.

Ahmedabad
December 05, 2020

Registered Office
1, New Cloth Market,
O/s Raipur Gate,
Raipur, Ahmedabad,
Gujarat-380002

By order of board

Nidhi Aggrawal
Company Secretary & Compliance Officer
aarnavfashions@gmail.com
Tel:-079--29702983
Website: www.aarnavgroup.com

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 AND SECRETARY STANDARD 2 ON GENERAL MEETINGS)

ITEM NO. 4

In light of provisions of Section 188(1)(a) of the Companies Act, 2013 and rules made there under, on recommendation of the Audit Committee of the Company, the Board of Directors of the Company has approved the related party transaction to be entered into with Gopi Synthetics Private Limited for purchase / sale of materials / goods aggregating the limit upto Rs 200,00,00,000 (Rupees Two hundred Crore Only) during any financial year that your Company may enter with the related party from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

Member are hereby informed that pursuant to second proviso of Section 188(1)(a) of the Companies Act, 2013 and in terms of provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015, no member of the Company who is a part of promoter and promoter group shall vote on such ordinary resolution to approve any material related party transaction.

Accordingly, the Board of Directors at its meeting held December 05, 2020, recommended the resolution set out at Item no. 4 to be passed as an Ordinary resolution by the members.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Gopi Synthetics Private Limited are as follows:

NO.	PARTICULARS	REMARKS
1	Name of the Related Party	Gopi Synthetics Private Limited
2	Name of the Director or KMP who is related	Mr. Champalal Gopiram Agarwal Mr. Sumit Champalal Agarwal
3	Nature of Relationship	Mr. Champalal Gopiram Agarwal, Chairman and Director of the Company and Mr. Sumit Champalal Agarwal, Managing Director of the company being common Director(s)/ Shareholder(s) of the Companies
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Purchase as well as sale of materials / goods from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

ITEM NO. 5

In light of provisions of Section 188(1)(a) of the Companies Act, 2013 and rules made there under, on recommendation of the Audit Committee of the Company, the Board of Directors of the Company has approved the related party transaction to be entered into with Alpine Spinweave Private Limited for purchase / sale of materials / goods aggregating the limit upto Rs 200,00,00,000 (Rupees Two Hundred Crore Only) during any financial year that your Company may enter with the related party from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

Member are hereby informed that pursuant to second proviso of Section 188(1)(a) of the Companies Act, 2013 and in terms of provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015, no member of the Company who is a part of promoter and promoter group shall vote on such ordinary resolution to approve any material related party transaction.

Accordingly, the Board of Directors at its meeting held December 05, 2020, recommended the resolution set out at Item no. 5 to be passed as an Ordinary resolution by the members.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Alpine Spinweave Private Limited are as follows:

NO.	PARTICULARS	REMARKS
1	Name of the Related Party	Alpine Spinweave Private Limited
2	Name of the Director or KMP who is related	Mr. Sumit Champalal Agarwal
3	Nature of Relationship	Mr. Sumit Champalal Agarwal, Managing Director of the company being common Director(s)/ Shareholder(s) of the Companies
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Purchase as well as sale of materials / goods from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

ITEM NO. 6

In light of provisions of Section 188(1)(a) of the Companies Act, 2013 and rules made there under, on recommendation of the Audit Committee of the Company, the Board of Directors of the Company has approved the related party transaction to be entered into with Aarnav Industries Private Limited for purchase / sale of materials / goods aggregating the limit upto Rs 200,00,00,000 (Rupees Two Hundred Crore Only) during any financial year that your Company may enter with the related party from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

Member are hereby informed that pursuant to second proviso of Section 188(1)(a) of the Companies Act, 2013 and in terms of provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no member of the Company who is a part of promoter and promoter group shall vote on such ordinary resolution to approve any material related party transaction.

Accordingly, the Board of Directors at its meeting held December 05, 2020, recommended the resolution set out at Item no. 6 to be passed as an Ordinary resolution by the members.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Aarnav Industries Private Limited are as follows:

NO.	PARTICULARS	REMARKS
1	Name of the Related Party	Aarnav Industries Private Limited
2	Name of the Director or KMP who is related	Mr. Champalal Gopiram Agarwal Mr. Sumit Champalal Agarwal
3	Nature of Relationship	Mr. Champalal Gopiram Agarwal, Chairman and Director of the Company and Mr. Sumit Champalal Agarwal, Managing Director of the company being common Director(s)/ Shareholder(s) of the Companies
4	Nature, material terms, monetary value and particulars of the contract or arrangement	Purchase as well as sale of materials / goods from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

ITEM NO. 7 and 8

In light of provisions of Section 188(1)(b) of the Companies Act, 2013 and rules made there under, on recommendation of the Audit Committee of the Company, the Board of Directors of the Company has approved the related party transaction to be entered into with Aarnav Industries Private Limited and Alpine Spinweave Private Limited for selling or otherwise disposing of, or buying, property of any kind aggregating the limit upto Rs 10,00,00,000 (Rupees Ten Crore Only) during any

financial year that your Company may enter with the related party from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

Member are hereby informed that pursuant to second proviso of Section 188(1)(b) of the Companies Act, 2013 and in terms of provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no member of the Company who is a part of promoter and promoter group shall vote on such ordinary resolution to approve any material related party transaction.

Accordingly, the Board of Directors at its meeting held December 05, 2020, recommended the resolution set out at Item no. 7 and 8 to be passed as an Ordinary resolution by the members.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions with Aarnav Industries Private Limited and Alpine Spinweave Private Limited are as follows:

NO.	PARTICULARS	REMARKS	REMARKS
1	Name of the Related Party	Aarnav Industries Private Limited	Alpine Spinweave Private Limited
2	Name of the Director or KMP who is related	Mr. Champalal Gopiram Agarwal Mr. Sumit Champalal Agarwal	Mr. Sumit Champalal Agarwal
3	Nature of Relationship	Mr. Champalal Gopiram Agarwal, Chairman and Director of the Company and Mr. Sumit Champalal Agarwal, Managing Director of the company being common Director(s)/ Shareholder(s) of the Companies	Mr. Sumit Champalal Agarwal, Managing Director of the company being common Director(s)/ Shareholder(s) of the Companies
4	Nature, material terms, monetary value and particulars of the contract or arrangement	selling or otherwise disposing of, or buying, property of any kind from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.	selling or otherwise disposing of, or buying, property of any kind from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

ITEM NO. 9-14

In light of provisions of Section 188(1)(b) of the Companies Act, 2013 and rules made there under, on recommendation of the Audit Committee of the Company, the Board of Directors of the Company has approved the related party transaction to be entered into with entities mentioned below for selling or otherwise disposing of, or buying, property of any kind aggregating the limit upto Rs 5,00,00,000 (Rupees Five Crore Only) during any financial year that your Company may enter with the related party from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

Member are hereby informed that pursuant to second proviso of Section 188(1)(b) of the Companies Act, 2013 and in terms of provisions of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no member of the Company who is a part of promoter and promoter group shall vote on such ordinary resolution to approve any material related party transaction.

Accordingly, the Board of Directors at its meeting held December 05, 2020, recommended the resolution set out at Item no. 9 to 14 to be passed as an Ordinary resolution by the members.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions are as follows:

NO.	PARTICULARS	NAME OF THE ENTITY					
1	Name of the Related Party	Sumit Champalal Agarwal (Prop. Sachi Enterprise)	Champalal Gopiram HUF (Prop. Suchita Textiles)	Sumit Champalal HUF (Prop. Jash Industries)	Pooja Sumit Agarwal (Prop. Pooja Enterprise)	Champalal Gopiram Agarwal (Prop. Aarnav Industries)	Satyabhama Champalal Agarwal (Prop. Aarnav Textiles)
2	Name of the Director or KMP who is related	Mr. Champalal Gopiram Agarwal	Mr. Champalal Gopiram Agarwal Mr. Sumit Champalal Agarwal	Mr. Champalal Gopiram Agarwal	Mr. Champalal Gopiram Agarwal Mr. Sumit Champalal Agarwal	Mr. Sumit Champalal Agarwal	Mr. Champalal Gopiram Agarwal, Mr. Sumit Champalal Agarwal
3	Nature of Relationship	Son of Mr. Champalal Agarwal	Father of Sumit Champalal Agarwal	Son of Mr. Champalal Agarwal	Wife of Sumit Champalal Agarwal	Father of Sumit Champalal Agarwal	Wife of Sumit Champalal Agarwal
4	Nature, material terms, monetary value and particulars of the contract or arrangement	selling or otherwise disposing of, or buying, property of any kind from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.	selling or otherwise disposing of, or buying, property of any kind from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.	selling or otherwise disposing of, or buying, property of any kind from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.	selling or otherwise disposing of, or buying, property of any kind from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.	selling or otherwise disposing of, or buying, property of any kind from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.	selling or otherwise disposing of, or buying, property of any kind from time to time in one or more tranches for a period of 5 years from the financial year 2020-21.

Particulars of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures.

Name of Director	Ms. NIDHI SANJAYKUMAR AGGRAWAL
DIN	08364168
Date of Birth	21-09-1993
Age	26
Experience	4 years
Date of Appointment/Re-appointment	February 21, 2019
Terms and conditions of appointment	Appointed as Director, liable to retire by rotation.
Remuneration paid	-
Qualification	B.Com, L.L.B. , C.S.
Designation	Director
Expertise in Specific Functional Areas	Compliance and Company Law
Disclosure of relationships between directors inter-se	-
Names of listed entities in which person holds Directorship and the membership of the committees of the Board	-
Chairman/ Director of other Company	-
Chairman/Member of committees of Board of Company of which he/she is a Director	-
Number of shares held in the Company	-
No. of Meetings of the Board attended during the year	8

**Ahmedabad
December 05, 2020**

**Registered Office
1, New Cloth Market,
O/s Raipur Gate,
Raipur, Ahmedabad,
Gujarat-380002**

By order of board

**Nidhi Aggrawal
Company Secretary & Compliance Officer
aarnavfashions@gmail.com
Tel:-079--29702983
Website: www.aarnavgroup.com**

DIRECTORS REPORT

To
The Members,
AARNAV FASHIONS LIMITED

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company'), along with the audited financial statements, for the financial year ended March 31, 2020.

1. FINANCIAL RESULTS:

(Amount in Rs)

PARTICULARS	2019-2020	2018-2019
Revenue from Operations	3,54,237,389	15,802,009
Other Income	-	-
Total Income	3,54,237,389	15,802,009
Profit/(Loss) before Depreciation, Finance Costs, Exceptional items and Tax Expense	30,583,316	2,591,398
Less: Depreciation /Amortisation/Impairment	-	-
Profit/(Loss) before Finance Costs, Exceptional items and Tax Expense	30,537,750	2,591,398
Less: Finance Costs	-	125,176
Profit/(Loss) Exceptional items and Tax Expense	30,537,750	2,466,222
Add/(Less): Exceptional items	-	-
Profit/(Loss) before Tax	30,537,750	2,466,222
Provision for Taxation - Current Tax	7,563,998	550,085
Deferred Tax	(227,093)	107,013
Excess provision for Tax expense for earlier years	-	-
Profit for the year	23,200,845	1,809,124
Total Comprehensive Income/Loss (2)	23,200,845	1,809,124

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

During the year there were new growths happened in the company by which the company may reach to a new height soon.

During the year under review, Company has earned total income of Rs. 3542.37 Lakh as against the total income of Rs. 158.02 Lakh of previous year. The total income of the company was up by 2141.72% over previous year. Further, Profit before Tax in the financial year 2019-20 stood at Rs.305.38 Lakh as compared to Rs 24.66 Lakh of last year and Net Profit after Tax stood at Rs.232.01 Lakh compared to profit of Rs. 18.09 Lakhs for previous year. The Profit before tax and Net profit After Tax was increased by 1138.24% and 1182.44% respectively over previous year.

As we are aware due to Covid-19 pandemic, the Company's operations were closed due to nationwide lockdown from March 22, 2020. During the lockdown, economic activities across all sectors were adversely affected. Gradually all activities are resuming, however it is very much uncertain to assume the time by which the same will return to normalcy. This will certainly affect the operations including revenue and profitability and liquidity of the Company.

3. CHANGE IN NATURE OF BUSINESS:

During the year Company has passed special resolution for alteration of object clause of the Company and also commence new business activities regarding manufacturing and Trading of Textile products.

4. AMNOUNT TRANSFERRED TO RESERVES:

During the year Company has not transferred any amount to reserves.

5. DIVIDEND:

The Board of Directors recommended a dividend of Rs. 0.50 per equity share (5%) for the year 2019-2020 subject to the approval at the Annual General Meeting.

The dividend if approved will result in a cash outflow of Rs. 75 lakhs.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source

The Record Date for the payment of final dividend is Tuesday, December 22, 2020, for determining the entitlement of the members to the final dividend for the financial year 2019-20.

6. BOARD MEETING

The meetings of the Board are scheduled at regular intervals, at least once in a quarter to decide and discuss on business performance, polices, strategies and other matter of significance. The schedules of meeting are circulated in advance to ensure proper planning and effective participation in meetings. Additional Board meetings are convened, as and when required.

During the year under review, Board of Directors of the Company met 8 (Eight) times. The dates of the meetings of the Board and attendance of Directors are mentioned in the Corporate Governance Report as enclosed with this report.

7. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Ms. Nidhi Sanjaykumar Agarwal (DIN: 08364168) Director of the Company retires by rotation at the ensuing annual general meeting and offers herself for reappointment.

There was no change in the Directors or KMP during the year under review.

8. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has obtained necessary declaration from each independent director under Section 149 (7) of the Act that they meet the criteria of independence laid down in Section 149 (6) of the act and there has been no change in the circumstances which may affect their status as independent director during the year.

9. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Listing Regulations, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also available on the website of the company www.aarnavgroup.com.

10. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND CRITERIA FOR INDEPENDENT DIRECTORS

The Remuneration Policy for directors and senior management and the Criteria for selection of candidates for appointment as directors, independent directors and senior management are placed on the website of the Company. There has been no change in the policies since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the remuneration policy of the Company.

11. VIGIL MECHANISM:

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm and state that

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. 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 of the company for that period;
- iii. 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;
- iv. the Directors had prepared the annual accounts on a 'going concern' basis;
- v. the Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. 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.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The company has laid down certain guidelines, process and structure, which enables implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively.

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control, stated in the Guidance Note on Audit of Internal Controls over Financial Reporting issued by The Institute of Chartered Accountants of India.

The Audit Committee reviews the reports submitted by the Internal Auditors and monitors follow-up and corrective action by management.

14. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as “Annexure – A” and is also available on the website of the Company www.aarnavgroup.com.

15. SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURE:

Since the company does not have any Subsidiary / Joint Ventures / Associate Concerns, no financial position of such concern(s) are required to be included in the financial statement.

16. AUDITORS:

As per the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad (ICAI Registration No. 106801W) were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the 36thAGM to the conclusion of the 41stAGM to be held in 2024. However in terms of the Notification issued by the Ministry of Corporate Affairs dated May 7, 2018, the proviso requiring ratification of the Auditors appointment by the shareholders at each AGM has been omitted. Accordingly, the ratification of appointment of Statutory Auditors would not be required at the AGM and M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad (ICAI Registration No. 106801W) would continue to act as the statutory auditors of the Company for five years upto the conclusion of the 41stAGM to be held in 2024.

The Auditors Report does not contain any qualification, observation or adverse remarks.

17. SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S Ravi Kapoor & Associates, a firm of Company Secretaries in practice, to conduct the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year ended 31st March 2020, pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Regulation 24A of the SEBI (LODR) Regulations, 2015 is annexed herewith as “Annexure - B”. The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

18. COST AUDITORS

The provisions of section 148 (2) for appointment of Cost Auditors are not applicable to the Company, The Company has maintained the cost records as specified by the Central Government under sub-section (1) of section 148 of the companies act, 2013

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

During the financial year under review, there were no manufacturing activities undertaken by the company. In view of the aforesaid fact, there was no scope for your company to make any efforts for energy conservation, research and development and technology absorption. Hence, the particulars required to be furnished in respect of the same are not given.

The particulars of foreign exchange earnings and outgoes:

Foreign Exchange Earnings: NIL

Foreign Exchange Outgoes: NIL

20. PUBLIC DEPOSIT

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans, Guarantees and investments in terms of Section 186 of the Companies Act, 2013 for the financial year under review have been provided in the Notes to Financial Statement which forms part of this Annual Report

22. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitment has occurred subsequent to the close of the financial year of the Company and the date of the report which could affect financial position of the Company.

23. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no material orders passed by the Regulators, Courts and tribunals impacting going concern status Company's operation in future

24. SHARE CAPITAL:

During the year Company has issued 1, 20, and 00,000 equity shares on June 20, 2019, on preferential basis and the permission for listing of the said shares were received from BSE Ltd. on July 23, 2019

25. RISK MANAGEMENT:

The Management has evaluated various risks like market risk, credit risk liquidity risk etc. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

26. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of section 135 of Companies Act, 2013 are not applicable.

27. RELATED PARTY TRANSACTIONS:

During the year ended 31st March, 2020, Company has entered into any contracts and/or arrangements with related parties covered under section 188 of the Companies Act, 2013. AOC-2 is annexed to this Report as “Annexure – E”

28. FORMAL ANNUAL EVALUATION:

An annual evaluation of the Board’s own performance, Board committees and individual directors was carried out pursuant to the provisions of the Act.

Evaluation of the Board and its Committees is based on various aspects of their functioning, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the meetings, processes followed at the meeting, Board’s focus, regulatory compliances, Corporate Governance, etc., Similarly, for evaluation of individual Director’s performance, various parameters like Director’s profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances, governance, etc. are considered.

Further, the performance of Chairman, Non-Executive Directors, Executive Directors and Independent Directors are evaluated on certain additional parameters depending upon their roles and responsibilities. For the Chairman the criteria includes demonstration of effective leadership, contribution to the Board’s work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for setting Board agenda, etc. For the Executive and Independent Directors, preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality of contribution at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board Members, Senior Management and Key Managerial Personnel, etc.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director, including Independent Director, was carried out for the financial year 2019-20 by the Board through a standard set of questionnaires and personal interaction. The Director being evaluated was not present during the discussion.

29. PARTICULARS OF EMPLOYEES

Pursuant to Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the particulars of employees are annexed as **Annexure- C** to this Report

30. DISCLOSURE AS PER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has not received any complaint of sexual harassment during the financial year 2019-20.

31. LISTING WITH STOCK EXCHANGE:

The Company confirms that it has paid the Annual Listing Fees for the year 2020-2021 to BSE where the Company's Shares are listed.

32. INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE

The Board of Directors has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and is available on our website

33. DETAILS OF COMPOSITION OF AUDIT COMMITTEE AND NOMINATION AND REMUNERATION COMMITTEE:

Details of Composition of various Committees including Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and attendance of members are mentioned in Corporate Governance Report and the same is attached with this report:

34. CORPORATE GOVERNANCE:

As per Listing Regulations, a separate section on Corporate Governance forms part of this report. A Certificate from M/s Ravi Kapoor & Associates, Practicing Company Secretary confirming compliance of Corporate Governance forms part of this Report. Certificate of the CEO/CFO, confirming the correctness of the financial statements, compliance with the Company's Code of Conduct and the Audit Committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report and forms part of this report as **Annexure-D**

35. MANAGEMENT DISCUSSION ANALYSIS

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, the Management's discussion and analysis is set out in this Annual Report as **Annexure F**.

36. SECRETARIAL STANDARDS

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

37. APPRECIATION:

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment, enabling the Company to achieve good performance during the year under review.

Your Directors also take this opportunity to place on record the valuable co-operation and support extended by the banks, government, business associates and the shareholders for their continued confidence reposed in the Company and look forward to having the same support in all future endeavours.

PLACE: AHMEDABAD

DATE: 05/12/2020

**AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AARNAV FASHIONS LIMITED**

**MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421**

**MR. SUMIT CHAMPALALAGARWAL
MANAGING DIRECTOR
DIN: 00356863**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2020

Of

AARNAV FASHIONS LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013

&

Rule 12(1) of the Companies (Mgt. and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L17100GJ1983PLC028990							
ii)	Registration Date [DDMMYY]	26/02/1983							
iii)	Name of the Company	AARNAV FASHIONS LIMITED							
iv)	Category of the Company	Public Company							
	Sub Category of the Company	Limited by shares Company having Share Capital							
v)	Address of the Registered office and contact details								
	Address	1, New Cloth Market, O/S Raipur Gate, Raipur							
	Town / City	Ahmedabad							
	State	Gujarat							
	Pin Code:	380002							
	Country Name :	India							
	Country Code	91							
	Telephone (With STD Area Code no)	079-29702983							
	Fax Number :	--							
	Email Address	aarnavfashions@gmail.com							
	Website	www.aarnavgroup.com							
	Name of the Police Station having jurisdiction where the registered office is situated	Raipur Police Station							
	Address for correspondence, if different from address of registered office:	N.A.							
vi)	Whether shares listed on recognized Stock Exchange(s)	Yes							
	If yes, details of stock exchanges where shares are listed	<table border="1"> <thead> <tr> <th>SN</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>BSE Limited</td> <td>539562</td> </tr> </tbody> </table>		SN	Stock Exchange Name	Code	1	BSE Limited	539562
SN	Stock Exchange Name	Code							
1	BSE Limited	539562							
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any								
	Registrar & Transfer Agents (RTA):-	MCS Share Transfer Agent Limited.							
	Address	12/1/5, Mahonaharpukar Road, Ground Floor,							
	Town / City	Kolkata							
	State	West Bengal							
	Pin Code	700026							
	Telephone (With STD Area Code Number)	033-40724051/52/53							
	Fax Number	033-40724050							

Email Address	mcssta@rediffmail.com
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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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Business of financing, trading Commodities, shares and securities.	661-Activities auxiliary to financial service activities, except insurance and pension funding	3.72
2	Trading in Textiles	46411 Wholesale of textiles, fabrics, yarn, household linen, articles of clothing, floor coverings and tapestry, sports clothes	96.28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTIONS
N.A.	N.A.	N.A.	N.A.	N.A	N.A

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

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. Promoter' s									
(1) Indian									
a) Individual/ HUF	1682745	0	1682745	56	4082745	0	4082745	27.2	-28.8
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI									
f) Any other									
Sub-total(A)(1):-	1682745	0	1682745	56	4082745	0	4082745	27.2	-28.8
(2) Foreign									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-

(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	--	-	-	-	-	-
Total Shareholding of Promoter(A)= (A)(1)+(A)(2)	1682745	0	1682745	56	4082745	0	4082745	27.2	-28.8
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)(Trusts)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2lakhs	21855	40400	62255	2.07	294857	39701	334558	2.23	0.16

ii) Individual shareholders holding nominal share capital in excess of Rs 2lakhs	1110000	-	1110000	36.94	7911122	-	7911122	52.72	15.78
c)Others (HUF & Body Corporate)	150000	0	150000	4.99	2676575	0	2676575	17.84	12.85
Sub-total (B)(2):-	1281855	40400	1322255	44	10882554	39701	10922255	72.8	28.8
Total Public Shareholding (B)=(B)(1)+(B)(2)	1281855	40400	1322255	44	10882554	39701	10922255	72.8	28.8
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2964600	40400	3005000	100	14965299	39701	15005000	100	-

*NOTE:

Previous year's figure has been regrouped whenever necessary for better presentation.

II) SHAREHOLDING OF PROMOTER-

SR. 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 SHARE PLEDGED / ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED / ENCUMBERED TO TOTAL SHARES	
1	Champalal Gopiram Agarwal	841373	28	-	2041373	13.6	-	-14.4
2	Sumit Champalal Agarwal	841372	28	-	2041372	13.6	-	-14.4

III) CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

SR. NO	NAME OF PROMOTERS	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO OF SHARES AT THE BEGINNING (01/04/2019)/END OF THE YEAR (31/03/2020)	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Champalal Gopiram Agarwal				
	At the beginning of the year	841373	28	841373	28

	Add: Allotment of shares on Preferential basis on June 20, 2019	-	28	1200000	-
	At the end of the year	2041373	13.6	2041373	13.6
2	Sumit Champalal Agarwal				
	At the beginning of the year	841372	28	841372	28
	Add: Allotment of shares on Preferential basis on June 20, 2019	-	28	1200000	-
	At the end of the year	2041372	13.6	2041372	13.6

IV) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS: (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

SR. NO.	NAME OF TOP TEN SHAREHOLDERS	AT THE BEGINNING OF THE YEAR		CUMULATIVE DURING THE YEAR	
		NO OF SHARES AT THE BEGINNING (01/04/2019)/ END OF THE YEAR (31/03/2020)	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	PIYUSH KUMAR BALAR At the beginning of the year Allotment of shares on Preferential basis on June 20, 2019 At the end of the year	0 1200000 1200000	0 8 8	0 1200000 1200000	0 8 8
2	ABHISHEK BALAR At the beginning of the year Allotment of shares on Preferential basis on June 20, 2019 At the end of the year	0 1200000 1200000	0 8 8	0 1200000 1200000	0 8 8
3	NIRMALA SUSHILKUMAR JAIN At the beginning of the year Allotment of shares on Preferential basis on June 20, 2019 At the end of the year	0 800000 800000	0 5.33 5.33	0 800000 800000	0 5.33 5.33
4	SUDEEP SAMPATMAL DASANI At the beginning of the year Allotment of shares on Preferential basis on June 20, 2019 At the end of the year	0 800000 800000	0 5.33 5.33	0 800000 800000	0 5.33 5.33
5	SAMPATMAL RATANLAL DASANI SUSHILADEVI SAMPATMAL DASANI At the beginning of the year Allotment of shares on Preferential basis on June 20, 2019 At the end of the year	0 740000 740000	0 4.93 4.93	0 740000 740000	0 4.93 4.93
6	ANILKUMAR MITHALAL HUF At the beginning of the year Allotment of shares on Preferential basis on June 20, 2019 At the end of the year	0 660000 660000	0 4.39 4.39	0 660000 660000	0 4.39 4.39
7	DASANI SAMPATMAL RATANLAL At the beginning of the year	0	0	0	0

	Allotment of shares on Preferential basis on June 20, 2019	600000	3.99	600000	3.99
	At the end of the year	600000	3.99	600000	3.99
8	ARPAN RAJKUMAR GUPTA				
	At the beginning of the year	0	0	0	0
	Allotment of shares on Preferential basis on June 20, 2019	600000	3.99	600000	3.99
	At the end of the year	600000	3.99	600000	3.99
9	GUPTA YOGITA ROHAN				
	At the beginning of the year	0	0	0	0
	Allotment of shares on Preferential basis on June 20, 2019	600000	3.99	600000	3.99
	At the end of the year	600000	3.99	600000	3.99
10	ANIL MITHALAL JAIN				
	At the beginning of the year	450000	2.99	450000	2.99
	Sold during the year				
	At the end of the year	424750	2.83	424750	2.83

V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

SR. NO.	NAME OF PROMOTERS	AT THE BEGINNING OF THE YEAR		CUMULATIVE DURING THE YEAR	
		NO OF SHARES AT THE BEGINNING (01/04/2019)/END OF THE YEAR (31/03/ 2020)	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Champalal Gopiram Agarwal				
	At the beginning of the year	841373	28		
	Allotment of shares on Preferential basis on June 20, 2019	1200000	-14.4		
	At the end of the year	2041373	13.6	2041373	13.6
2	Sumit Champalal Agarwal				
	At the beginning of the year	841372	28		
	Allotment of shares on Preferential basis on June 20, 2019	1200000	-14.4		
	At the end of the year	2041372	13.6	2041372	13.6
3	Nidhi Sanjaykumar Aggrawal				
	At the beginning of the year	0	0	0	0
	Changes during the year	0	0	0	0
	At the end of the year	0	0	0	0
4	Sourabh Vijay Patawari				
	At the beginning of the year	0	0	0	0
	Changes during the year	0	0	0	0
	At the end of the year	0	0	0	0
5	Kuldeep Ashokbhai Shah				
	At the beginning of the year	0	0	0	0
	Changes during the year	0	0	0	0
	At the end of the year	0	0	0	0
6	Madhur Murari Todi				
	At the beginning of the year	0	0	0	0

	Changes during the year	0	0	0	0
	At the end of the year	0	0	0	0
7	Radhakishan Lekharam Sharma				
	At the beginning of the year	0	0	0	0
	Changes during the year	0	0	0	0
	At the end of the year	0	0	0	0

V) INDEBTEDNESS -INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(AMOUNT IN RS.)

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year	0	0	0	0
* Addition	0	0	0	0
* Reduction		0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: (RS. IN LACS)

SN.	PARTICULARS OF REMUNERATION	NAME OF MD/WTD/ MANAGER	TOTAL AMOUNT
1	Gross salary	NIL	
2	(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		
	Stock Option		
3	Sweat Equity		
4	Commission -as % of profit - others, specify...		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors

SN	Particulars of Remuneration	Name of Independent/ Non-Executive Director
1	Independent Directors	NIL
	Fee for attending board	
	committee meetings	
	Commission	
	Others, please specify	
	Total (1)	

2	Other Non-Executive Directors	NIL
	Fee for attending board committee meetings	
	Commission	
	Others, please specify	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration	
	Overall Ceiling as per the Act	

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
			Ms. Nidhi Aggrawal	RadhaKishan Lekharam Sharma	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	4,25,786	-	4,25,786
	(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	-	4,25,786	-	4,25,786

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	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**PLACE: AHMEDABAD
DATE: 05/12/2020**

**AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AARNAV FASHIONS LIMITED**

**MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421**

**MR. SUMIT CHAMPALALAGARWAL
MANAGING DIRECTOR
DIN: 00356863**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AARNAV FASHIONS LIMITED
(Formerly known as Kayel Securities Limited)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Aarnav Fashions Limited (herein after referred to as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Aarnav Fashions Limited 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, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Aarnav Fashions Limited (“the Company”) for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (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, 2018;

(vi) There are no laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda

Items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

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.

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place: Ahmedabad

Date: 5th December, 2020

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587B001410730

This report is to be read with our letter of even date which is annexed as Annexure-A and forms as an integral part of this report.

Annexure-A

To,
The Members,
Aarnav Fashions Limited
(Formerly known as Kayel Securities 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 process 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 process 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. Wherever 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 procedure 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.

Place: Ahmedabad
Date: 5th December, 2020

For, Ravi Kapoor & Associates

Ravi Kapoor
Company Secretary in practice
FCS No. 2587
C P No.: 2407
UDIN: F002587B001410730

ANNEXURE – C

PARTICULARS OF EMPLOYEES

(Pursuant to Section 197(12) read with Rules made thereunder)

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules made there under.

A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

a) The ratio of remuneration of each director to the median remuneration of employees for the financial year:

Sr. No.	Name	Designation	Ratio against median Employee' Remuneration
1.	CHAMPALAL GOPIRAM AGARWAL	Chairman	-
2.	SUMIT CHAMPALAL AGARWAL	Managing Director	-
3.	NIDHI SANJAYKUMAR AGRAWAL	Non-Executive Director	-
4.	SOURABH VIJAY PATAWARI	Independent Director	-
5.	KULDEEP ASHOKBHAI SHAH	Independent Director	-
6.	MADHUR MURARI TODI	Independent Director	-

b) The Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Percentage Increase as compared to Previous Year
1.	CHAMPALAL GOPIRAM AGARWAL	Chairman	N.A.
2.	SUMIT CHAMPALAL AGARWAL	Managing Director	N.A.
3.	NIDHI SANJAYKUMAR AGRAWAL	Non-Executive Director	N.A.
4.	SOURABH VIJAY PATAWARI	Independent Director	N.A.
5.	KULDEEP ASHOKBHAI SHAH	Independent Director	N.A.
6.	MADHUR MURARI TODI	Independent Director	N.A.
7.	MS. NIDHI AGRAWAL	Company Secretary and Compliance Officer	N.A.
8.	RADHAKISHAN LEKHARAM SHARMA	Chief financial officer	N.A.

c) The percentage increase in the median remuneration of employees in the financial year:

Median remuneration of Employees increased in F.Y 2019-20 is NIL as compared from F.Y. 2018-19.

d) The number of permanent employees during the year on the rolls of the Company: 3 Employees

Employees at end of the financial year: 3 employees

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

f) The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

B. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) List of top ten employees in terms of remuneration drawn:

SR. NO.	EMPLOYEE NAME	DESIGNATION	DATE OF JOINING	REMUNERATION RECEIVED (IN `)	AGE
1	Ms. Nidhi Aggrawal	Company Secretary	January 25, 2019	4,25,786	27
2	Manoj Patel	Office clerk	April 01, 2019	67,147	35

All above employees are on roll of the Company on permanent basis.

Note:

1. The details of remuneration drawn is on accrual basis.
2. Company has only two employees drawing remuneration and hence details are given to that extent.

b) Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:

There was no such employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.

c) Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month:

There was no such employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.

d) Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:

There was no such employees employed throughout the financial year or part thereof who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by herself or along with her spouse and dependent children, not less than two percent of the equity shares of the company.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

PLACE: AHMEDABAD
DATE: 05/12/2020

AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AARNAV FASHIONS LIMITED

MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421

MR. SUMIT CHAMPALALAGARWAL
MANAGING DIRECTOR
DIN: 00356863

CORPORATE GOVERNANCE REPORT

Pursuant to Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is given below:

(1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

(2) CONSTITUTION OF BOARD:

As on the date of this report, the Board comprises following Directors;

NAME OF DIRECTOR	CATEGORY CUM DESIGNATION	DATE OF APPOINTMENT AT CURRENT TERM & DESIGNATION	NO OF BOARD MEETING ATTENDED	ATTENDANCE AT LAST AGM (YES/NO)	NO. OF OTHER PUBLIC COMPANY DIRECTORSHIP	^NO. OF COMMITTEE MEMBERSHIP IN OTHER PUBLIC COMPANIES		NO. OF SHARES HELD AS ON MARCH 31, 2020
						in which Director is Members	in which Director is Chairman	
CHAMPALAL GOPIRAM AGARWAL	Promoter, Chairman and Executive Director	08/01/2019	8	YES	1	0	0	2041373
SUMIT CHAMPALAL AGARWAL	Promoter and Managing Director	08/01/2019	8	YES	1	0	0	2041372
NIDHI AGGRAWAL	Professional and Non-Executive Director	21/02/2019	8	YES	0	0	0	0
SOURABH VIJAY PATAWARI	Independent Director – Non Executive Director	21/02/2019	8	YES	1	3	0	0
KULDEEP ASHOKBHAI SHAH	Independent Director – Non Executive Director	21/02/2019	7	YES	0	0	0	0
MADHUR MURARI TODI	Independent Director – Non Executive Director	16/03/2019	1	NO	0	0	0	0

The Company has an optimum combination of Executive and Non-Executive/Independent Directors which is in conformity with the Companies Act, 2013 and the Listing Regulations. The number of Independent Directors on the Board is in

conformity with the requirement of Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Independent Non - Executive Directors has any material pecuniary relationship or transactions with the company. None of the Directors on the Board are members of more than 10 committees or chairman of more than 5 committee as specified in Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amongst all companies in which they are Directors.

SR. NO.	NAME OF DIRECTORS	DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE;	LIST OF DIRECTORSHIP HELD IN OTHER LISTED COMPANIES AND CATEGORY OF DIRECTORSHIP
1	CHAMPALAL GOPIRAM AGARWAL	Champalal Gopiram Agarwal is the father of Mr. Sumit Champalal Agarwal who is the Managing Director of the Company	-
2	SUMIT CHAMPALAL AGARWAL	Sumit Champalal Agarwal is the son of Mr. Champalal Gopiram Agarwal who is the Director and Chairman of the Company	-
3	NIDHI SANJAYKUMAR AGGRAWAL	-	-
4	SOURABH VIJAY PATAWARI	-	One (Independent Director)
5	KULDEEP ASHOKBHAI SHAH	-	-
6	MADHUR MURARI TODI	-	-

NUMBER OF BOARD MEETINGS

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2019 - 2020 and at the last Annual General Meeting held on September 30, 2019 are given below:

SR. NO.	DATE OF BOARD MEETING	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1	April 19, 2019	6	5
2	April 30, 2019	6	5
3	May 29, 2019	6	5
4	June 20, 2019	6	5
5	August 14, 2019	6	6
6	September 04, 2019	6	5
7	October 10, 2019	6	5
8	January 17, 2020	6	5

SR. NO	DATE OF ANNUAL GENERAL MEETING	STRENGTH	NO. OF DIRECTORS PRESENT
1	September 30, 2019	6	5

The intervening period between the Board Meetings was within the maximum time gap prescribed under the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Due to last minute business schedule of Mr. Madhur Muarari Todi, Independent Director, of the Company couldn't attend the Meeting

CODE OF CONDUCT: The Board has laid down a Code of Conduct for all Board members and Senior Managerial personnel of the Company. The Code of Conduct is available on the website of the Company at.

INDUCTION AND FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS:

The Company organizes an induction programme for new Directors and an ongoing familiarization programme for Independent Directors with respect to the business/ working of the Company. On appointment of a Director, the concerned Director is issued a letter of appointment setting out in detail, the terms of appointment, duties, roles, rights and responsibilities. The Director is also explained the compliances required to be done by him/ her under various Acts, shown a presentation on organizational set up of the Company, functioning of various divisions/ departments, company’s market share, governance and internal control processes.

Further, training programmes are held and presentations are given to the Directors, updating them with statutory changes and compliances applicable to the Company.

The details of the familiarization program can be accessed from the website www.aarnavgroup.com.

List of Matrix / Chart of Special Skill

As required under the provisions of Schedule V(C)(2)(h) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board of Directors has identified the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board as follows:

SR. NO.	NAME OF DIRECTORS	SKILLS / EXPERTISE IDENTIFIED BY THE BOARD	SPECIALISATION
1	CHAMPALAL GOPIRAM AGARWAL	Communication, Sales, Marketing, Finance	Marketing and sales
2	SUMIT CHAMPALAL AGARWAL	Communication, Sales, Marketing, Finance	Marketing and sales
3	NIDHI SANJAYKUMAR AGRAWAL	Compliances and communication	Legal Compliance
4	SOURABH VIJAY PATAWARI	Compliances and communication	Legal Compliance
5	KULDEEP ASHOKBHAI SHAH	Finance	Finance
6	MADHUR MURARI TODI	Financial Planning, Project implementation	Finance

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Securities and Exchange Board of the India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

No Independent Director has resigned before the expiry of their tenure during the year; therefore, there is no requirement to make any disclosure in the said matter.

(3) COMMITTEES OF THE BOARD:

The committees constituted by the Board play an important role on the governance structure of the Company. The committees are in line with the Listing Regulations and Companies Act, 2013.

COMPOSITION OF COMMITTEES OF DIRECTORS AND THEIR ATTENDANCE AT THE MEETINGS:

Company has the following Committees:

- A) Audit Committee
- B) Remuneration and Nomination Committee
- C) Stakeholder Relationship Committee

A. AUDIT COMMITTEE

The composition of the Audit Committee along with the details of the meetings held and attended during the financial year as on 31st March, 2020, are given below.

Meetings, Members and Attendance

The details of attendance of Members are as under:

NAME OF MEMBER	CATEGORY	STATUS	NO OF MEETINGS	
			HELD	ATTENDED
Kuldeep Ashokbhai Shah	Non-Executive - Independent Director	Chairman	6	5
Madhur Murari Todi	Non-Executive - Independent Director	Member	6	2
Sourabh Patawari Vijay	Non-Executive - Independent Director	Member	6	6

During the Financial Year 2019-20 the Committee held 6 (six) meeting as follows:

Sr. No	Date of Meeting
1	April 19, 2019
2	May 29, 2019
3	August 14, 2019
4	September 04, 2019
5	October 10, 2019
6	January 17, 2020

The Board has designated Ms. Nidhi Aggrawal, Company Secretary to act as Secretary to the Committee.

The Statutory Auditors, Internal Auditors, Company Secretary and C.F.O. are invitees to the Audit Committee Meetings. The Company Secretary is in attendance at these Meetings. All members are financially literate. Members of the Audit Committee have accounting and financial management expertise.

The Chairman of the Committee attended the AGM held on 30thSeptember 2019 to answer the shareholders` queries.

TERMS OF REFERENCE OF AUDIT COMMITTEE

The Audit Committee of the Company performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing and recommending for approval of the Board. Business plan, corporate annual budget and revised estimates.
- Recommending to the Board, the appointment, re-appointment, replacement, remuneration, terms of appointment of the statutory auditor and the fixation of the audit fee.
- Reviewing with the management, the quarterly, half-yearly, annual financial statements and auditor's reports thereon, before submission to the Board for approval.
- Laying down the criteria for granting omnibus approval in line with the Company's policy on related party transactions.
- Approval or any subsequent modification of transactions of Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.

- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, 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.
- Approval of appointment of the chief financial officer after assessing the qualifications, experience, background etc.
- To have full access to the information contained in the records of the Company.
- Carrying out any other function as provided under the Act, Listing Regulations and other applicable laws.
- To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.
- Review Management discussion and analysis of financial condition and result of operations. Review statement of significant related party transactions.
- Review all material transactions with related parties to be disclosed every quarter along with the compliance report on corporate governance.
- Review on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approval given.
- Review internal audit reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the chief internal auditor.

B. NOMINATION AND REMUNERATION COMMITTEE:

As on 31st March, 2020 the Nomination & Remuneration Committee comprises of Members as stated below. The composition of the Committee is in conformity with the Listing Regulations.

Meetings, Members and Attendance

During the Financial Year 2019-20 the Committee held 2 (two) meeting on April 19, 2019 and September 04, 2019.

The details of attendance of Members are as under:

NAME OF MEMBER	CATEGORY	STATUS	NO OF MEETINGS	
			HELD	ATTENDED
Madhur Murari Todi	Non-Executive - Independent Director	Chairman	2	1
Kuldeep Ashokbhai Shah	Non-Executive - Independent Director	Member	2	1
Sourabh Patawari Vijay	Non-Executive - Independent Director	Member	2	2

The Board has designated Ms. Nidhi Aggrawal, Company Secretary to act as Secretary to the Committee.

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors. Specify the manner for effective evaluation of performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Human Resources, Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- Consider extension or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of Independent Directors.

- Recommend / review the remuneration of Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- Review information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

PERFORMANCE EVALUATION FOR INDEPENDENT DIRECTOR

The criteria for performance evaluation cover the areas relevant to the performance, participation, conduct, effectiveness etc. The performance evaluation of Independent Directors was done by the entire Board of Directors and the Directors subject to evaluation had not participated in the same. The Independent Directors evaluated the performance of Non-Independent Directors and Board as a whole.

POLICY FOR REMUNERATION TO DIRECTOR/ KEY MANAGERIAL PERSONNEL

The Remuneration Policy for directors and senior management are placed on the website of the Company website www.aarnavgroup.com. The details of remuneration paid to the directors are given in form MGT-9 which forms part of the Directors Report.

Details of remuneration for the year ended on 31st March, 2020:

(i) Executive Director

The Executive Directors have received no remuneration or incentive during the year under review.

Service Contract, Notice Period and Severance Period:

The appointment of the Executive Director is contractual in nature.

(j) To Non-Executive / Independent Directors:

During the year ended 31st March 2020, the Company has not paid remuneration to Non-Executive Directors by way of sitting fees for attending meetings of Board.

C. STAKEHOLDER RELATIONSHIP COMMITTEE:

Meetings, Members and Attendance

During the Financial Year 2019-20 the Committee held 1 (one) meeting on January 17, 2020.

The details of attendance of Members are as under:

NAME OF MEMBER	CATEGORY	STATUS	NO OF MEETINGS	
			HELD	ATTENDED
Sourabh Patawari Vijay	Non-Executive - Independent Director	Chairman	1	1
Kuldeep Ashokbhai Shah	Non-Executive - Independent Director	Member	1	1
Madhur Murari Todi	Non-Executive - Independent Director	Member	1	0

The Board has designated Ms. Nidhi Aggrawal, Company Secretary to act as Secretary to the Committee.

TERMS OF REFERENCE OF STAKEHOLDERS’ RELATIONSHIP COMMITTEE

- Approve issue of duplicate shares / debentures certificates.
- Oversee the performance of the Company’s Registrar and Share Transfer Agent.
- Consider, resolve and monitor various aspects of interest of shareholders, including the redressal of investors’ / shareholders’ / security holders’ grievances related to transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, issue new / duplicate certificates, general meetings and so on.
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and recommend methods to upgrade the service standards adopted by the Company.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.
- Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

COMPLIANCE OFFICER / COMPANY SECRETARY

MS. NIDHI AGRAWAL

Company Secretary

Address: 1, New Cloth Market, O/s Raipur Gate, Raipur, Ahmedabad- 380008

E-mail: cs@aarnavgroup.com

Complaints received and redressed by the Company during the financial year 2019-20.

NO OF SHAREHOLDERS COMPLAINTS RECEIVED	NO. OF COMPLAINTS NOT SOLVED TO SATISFACTION OF SHAREHOLDERS	NO. COMPLAINTS SOLVED TO THE SATISFACTION OF SHAREHOLDERS	NO. OF COMPLAINTS PENDING
0	0	0	0

D. INDEPENDENT DIRECTORS MEETING:

In accordance with provisions of the Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors of the Company was held on January 17, 2020 without the attendance of Non Independent Directors and Members of the Management.

E. GENERAL BODY MEETINGS:

DETAILS OF THE ANNUAL GENERAL MEETING HELD DURING THE PRECEDING 3 YEARS AND SPECIAL RESOLUTIONS PASSED THERE AT GIVEN BELOW

FINANCIAL YEAR	PLACE OF MEETING	DATE OF MEETING	DETAILS OF SPECIAL RESOLUTION PASSED
2018-19	1, New Cloth Market, O/S Raipur Gate, Raipur, Ahmedabad-380002	30 th September, 2019 at 01:00 P.M	<ul style="list-style-type: none"> To create security on the properties of the company, both present and future, in favor of lenders To increase the borrowing powers of the company To provide unsecured loan under section 185: Increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to persons / bodies corporate To approve remuneration of Mr. Sumit Champalal Agarwal, managing director of the company
2017-18	Shop No. 29, New Cloth Market, O/s Raipur Gate, Ahmedabad-380002	25 th September, 2018 at 01:00 P.M.	NIL
2016-17	Shop No. 29, New Cloth Market, O/s Raipur Gate, Ahmedabad-380002	29 th September, 2017 at 11:00 A.M.	NIL

During the year 2019-20, following special resolutions were passed through postal ballot:

1. Change in name of the Company
2. Alteration of object clause of Memorandum of Association of the Company
3. To issue equity shares on preferential basis to promoter and non-promoters

Mr. Ravi Kapoor, Practicing Company Secretary and proprietor of M/s. Ravi Kapoor & Associates was appointed as Scrutiniser to conduct postal ballot in fair and transparent manner.

Voting pattern of the special resolutions passed through postal ballot is mentioned below:

Particulars	No. of Voted in favour	No. of shares in favour	% of shares in favour	No. of voted against	No. of shares against	% of shares against
RESOLUTION 1 (Ordinary Resolution) To regularize Ms. Nidhi Sanjaykumar Aggrawal as Director of the Company	4	329300	100	Nil	Nil	Nil
RESOLUTION 2 (Ordinary Resolution) To regularize Mr. Sourabh Vijay Patawari as an Independent Director of the Company	4	329300	100	Nil	Nil	Nil
RESOLUTION 3 (Ordinary Resolution) To regularize Mr. Kuldeep Ashokbhai Shah as an	4	329300	100	Nil	Nil	Nil

Independent Director of the Company						
RESOLUTION 4 (Ordinary Resolution) To regularize Mr. Madhur Murari Todi as an Independent Director of the Company	4	329300	100	Nil	Nil	Nil
RESOLUTION 5 (Ordinary Resolution) To appoint Mr. Sumit Champalal Agarwal as Managing Director of the Company	4	329300	100	Nil	Nil	Nil
RESOLUTION 6 (Ordinary Resolution) To regularize Mr. Champalal Gopiram Agarwal as Director of the Company	4	329300	100	Nil	Nil	Nil
RESOLUTION 7 (Special Resolution) Change in the name of the Company	4	329300	100	Nil	Nil	Nil
RESOLUTION 8 (Special Resolution) Alteration of objects clause in the Memorandum of Association of the Company	4	329300	100	Nil	Nil	Nil
RESOLUTION 9 (Ordinary Resolution) To increase the Authorized Share Capital of the Company	4	329300	100	Nil	Nil	Nil
RESOLUTION 10 (Ordinary Resolution) To alter the Capital Clause (Clause V) of the Memorandum of Association	4	329300	100	Nil	Nil	Nil
RESOLUTION 11 (Ordinary Resolution) To approve the Related Party Transaction	4	329300	100	Nil	Nil	Nil
RESOLUTION 12 (Special Resolution) To issue equity shares on preferential basis to promoter and non-promoters	4	329300	100	Nil	Nil	Nil

Procedure of postal ballot:

The procedures prescribed under Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 were duly followed for conducting the postal ballot process for approving the resolutions mentioned above.

All of the aforesaid resolution were passed by the shareholders with requisite majority.

F. MEANS OF COMMUNICATION

i. WEBSITE: The Company's website www.aarnavgroup.com contains a separate section "Investor" for use of investors. The Quarterly, half yearly and Annual Financial Results are promptly and prominently displayed on website. Notices, Annual Report, Quarterly Shareholding Pattern and other Communication are also available on the website.

ii. FINANCIAL RESULTS: The Quarterly, Half yearly and Annual Results are regularly posted by the Company on its website. These are also submitted to the Stock Exchange i.e. BSE (Corporate Compliance and Listing Centre) in accordance with Listing Regulations. The Quarterly, Half Yearly and Annual Results are normally published in Western Times (English) and Western Times (Gujarati) within 48 hours of approval.

iii. ANNUAL REPORT: Annual Report containing inter-alia, salient features of the Audited Financial Statements, Director's Report (Including Management Discussion and Analysis), Corporate Governance Report and other important information is circulated to members and others entitled thereof.

iv. CORPORATE FILING: Announcements, Quarterly Results, Shareholding Pattern etc. of the Company are regularly filed by the Company with BSE Ltd. and are also available on the website of the Company.

v. There were no presentations made to the institutional investor analysts during the year.

G. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting (Day, Date, Time and Venue)	Tuesday, 29 th day of December, 2020 at Survey No. 302, Isanpur Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405 at 01.00 P.M.
Financial Year	1st April,2019 – 31st March, 2020
Listing on Stock Exchanges	BSE LIMITED (Script Code: 539562)
Book Closure Dates for Final Dividend	Monday, 21 st December, 2020 to Monday, 28 th December, 2020
Dividend Payment Date	January 2, 2021, (Subject to approval of shareholders the amount will be transferred to separate bank Account)

The Annual Listing Fees for the year 2020-21 has been paid to BSE.

H. STOCK MARKET DATA:

High/ Low of market price of the Company's shares traded on BSE Ltd during the year ended 31st March, 2020 is furnished below:

From April 01, 2019 till March 31, 2020		
MONTH & YEAR	HIGH RS.	LOW RS.
Jun-19	18.18	15.75
Jul-19	23.15	19.05
Aug-19	26.75	24.3
Sep-19	45	28.05
Oct-19	48	40.4
Nov-19	42.75	38.4
Dec-19	43	41
Jan-20	45.2	40.5
Feb-20	51.05	43.8
Mar-20	47.3	40.55

I. STOCK PERFORMANCE OF THE COMPANY'S STOCK IN COMPARISON TO BROAD-BASED INDICES SUCH AS BSE SENSEX WAS AS BELOW:

MONTH & YEAR	COMPANY'S CLOSE PRICE	BSE SENSEX CLOSE
Jun-19	18.18	39394.64
Jul-19	23.15	37481.12
Aug-19	26.75	37332.79
Sep-19	45	38667.33
Oct-19	40.4	40129.05
Nov-19	42.75	40793.81
Dec-19	42.5	41253.74
Jan-20	45	40723.49
Feb-20	47.3	38297.29
Mar-20	46.95	29468.49

The Company's equity shares are listed on the BSE Limited (BSE). The Company enjoyed a market capitalization of Rs. 76.53 crores as on March 31, 2020 and was one of the Top 1500 Listed companies by market capitalization.

J. REGISTRAR AND TRANSFER AGENTS FOR SHARES

MCS SHARE TRANSFER AGENT LIMITED

Address: 12/1/5 Mahanaharpukur Road, Ground Floor, Kolkata- 700026
 Tel. No.: 033-40724051
 Fax: 033-40724050
 E-mail: mcssta@rediffmail.com
 Website: www.mcsregistrars.com

K. SHARE TRANSFER SYSTEM:

Regulation 40 of the Listing Regulations was amended vide Gazette notification dated June 08, 2018 mandating transfer of securities in dematerialized form only on and after December 05, 2018. Further, SEBI has extended the date for transfer of securities in physical form to March 31, 2019, vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018

According to the said Notification dated November 30, 2018 requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with the depository with effect from April 01, 2019. Therefore, trading in equity shares of the Company is permitted only in dematerialised form. However, this restriction shall not be applicable to the request received for effecting transmission or transposition of physical shares. Accordingly, with effect from April 01, 2020, the Company / its Registrar and Share Transfer Agent has stopped accepting any fresh lodgment of transfer of shares in physical form.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest to avoid any inconvenience while transferring the shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of Registrar and Share Transfer Agent to seek guidance in the demat procedure. The shareholders may also visit the website of depositories viz. National Securities Depository Limited ('NSDL') or Central Depository Services (India) Limited ('CDSL') for further understanding of the demat procedure.

L. RECONCILIATION OF SHARE CAPITAL AUDIT:

M/S Ravi Kapoor and Associates, Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

M. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020:

Range Start	Range End	Total shares	Percentage to capital	Total No of shareholders	% of Total Security holders
1	500	54487	0.36	423	82.61
501	1000	12019	0.08	17	3.32
1001	2000	21784	0.14	13	2.53
2001	3000	18200	0.12	7	1.36
3001	4000	15918	0.10	4	0.78
4001	5000	43754	0.29	9	1.75
5001	10000	124023	0.82	15	2.92
10001	50000	58270	0.38	3	0.58
50001	100000	85981	0.57	1	0.19

And above	14570564	97.10	20	3.90
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N. CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2020:

SR. NO	PARTICULARS	NO OF ACCOUNTS	HOLDING	% TO CAPITAL
1	Companies Acting in Concert -Promoter Companies	2	4082745	27.2
2	Body Corporates	6	828	0.005
3	Individuals	467	8245680	54.965
4	HUF	37	2675747	17.83
TOTAL		512	15005000	100

O. DEMATERIALISATION OF SHARES:

The Company's Equity Shares are held in dematerialized form by National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd. (CDSL) under ISIN No. **INE750R01016**. As on 31st March, 2020, 99.73% of the total shares of the Company have been dematerialised. The shareholders holding shares in physical form are requested to dematerialize their shares as the Company's shares are required to be compulsorily traded at the stock exchanges in dematerialized form only. The shares of the Company are regularly traded at the BSE Limited.

P. OUTSTANDING GDRS / ADRS / WARRANTS AND OTHER CONVERTIBLE INSTRUMENTS, CONVERSION DATES AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs / ADRs / Warrants and other Convertible instruments.

Q. ADDRESS FOR CORRESPONDENCE

Registered Office	1, New Cloth Market, O/s Raipur Gate, Raipur, Ahmedabad-380002
Tel No.	079-29702983
Email	aarnavfashions@gmail.com

R. UNCLAIMED SUSPENSE ACCOUNT:

The Company does not have any Demat Suspense Account or unclaimed Suspense Account

(4) DISCLOSURES:

I. Penalties:

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines of SEBI and other regulatory authorities. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges.

II. Compliance with Accounting Standards:

In preparation of the Financial Statements, the Company has followed the Accounting standards applicable to the Company.

III. CEO/ CFO Certification:

The Chief Financial Officer of the Company have furnished the requisite Certificates to the Board of Directors as per Listing Regulations as Annexure D

IV. Internal Control System and their adequacy:

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed Internal Auditors who audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements. The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

V. Related Party Transactions:

The Company did not enter into any materially significant related party transactions, which had potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties as defined under the Companies Act, 2013 and as per Listing Regulations during the financial year were in the ordinary course of business and the same have been approved by the Audit Committee/ Board of Directors. The Board of Directors has approved a policy of related party transactions which has been uploaded on the website of the Company www.aarnavgroup.com

VI. Risk Management:

The Company recognizes that risk is an integral part of any business activity. The Company is aware of the risks associated with the business and has well defined process in place to ensure appropriate identification and treatment of risk. This will facilitate not only risk assessment and timely rectification but also help in minimization of risk associated with any strategic, operational, and financial and compliance risk across all business operations. There are no risks which in the opinion of the board threatens the existence of the company. However some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

VII. Vigil Mechanism (Whistle Blower Policy):

The Company has a vigil mechanism called “Whistle Blower Policy” with a view to provide a mechanism for Directors and employees of the Company to raise concerns of any violations of any legal or regulatory requirement, incorrect or misrepresentation of any financial statement and reports etc. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. All employees have been provided direct access to the Audit committee. Further, the details of the policy are also posted on the website of the Company www.aarnavgroup.com.

- VIII. The Company is not having commodity price risk or foreign exchange risk and not involved in hedging activities.
- IX. The Company has no material subsidiary. The Company has fully complied with the mandatory requirements of SEBI (LODR) Regulations, 2015.
- X. There were no circumstances where board had not accepted any recommendation of any committee of the Board during the year.
- XI. There is no non compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule V read with Regulation 34(3) of SEBI LODR Regulations.
- XII. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XIII. A certificate from M/s Ravi Kappor & Associates, Practicing Company Secretaries has been received stating that none of the directors on the board of the company are debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

XIV. Auditor's Fees:

Total fees for all services paid by the listed entity, on a consolidated basis, to the statutory auditor is a part is follows:

Particulars	For the year ended on March 31, 2020	For the year ended on March 31, 2019
Payment to the Auditors comprise		
(a) To Statutory auditors	1,00,000	5,900
Other Matter	-	11,800
Total	1,00,000	1,77,00

XV. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

Details of Complaints under the act during the financial year 2019-20.

- a. number of complaints filed during the financial year -Nil
- b. number of complaints disposed of during the financial year -Nil
- c. number of complaints pending as on end of the financial year –Nil

The Company has not received any complaints on sexual harassment.

The Company has complied with all the mandatory requirements specified in regulation 17 to 27 regulation 46 of Listing Regulations.

The Corporate Governance Report of the Company for the year ended 31st March, 2020 are in compliance with the requirements of Corporate Governance under Listing Regulations.

(5) THE STATUS OF ADOPTION OF THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II IS AS UNDER:-

SHAREHOLDERS RIGHTS:

Extract of the Quarterly, Half Yearly and Annual Financial Results of the Company are published in the Newspaper and are also posted on Company's website www.aarnavgroup.com. The complete Annual Report is sent to each and every Shareholder of the 67 Company.

MODIFIED OPINION IN AUDITORS REPORT

The Company's financial statement for the year ended 31st March, 2020 does not contain any modified Audit opinion.

REPORTING OF INTERNAL AUDITOR:

The Internal Auditor of the Company reports to the Audit Committee

CODE OF CONDUCT DECLARATION

I hereby declare that all Board members of the Company and senior management personnel have affirmed compliance with the Code of Conduct of the Company as per Regulation 26(3) of SEBI (LODR) Regulations, 2015.

**ON BEHALF OF THE BOARD OF DIRECTORS
FOR, AARNAV FASHIONS LIMITED**

**Date: 05/12/2020
Place: Ahmedabad**

**MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421**

ANNEXURE-D

CEO/ CFO CERTIFICATION (AS PER REGULATION 17(8) OF THE LISTING REGULATIONS)

We, Managing Director and Chief Financial Officer, certify to the Board of Directors of AARNAV FASHIONS LIMITED (the "Company") that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2020 and that 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 violative 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 the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design and operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. that there are no significant changes in internal control during the year;
 - ii. that there are no significant changes in accounting policies during the year other than those which have been disclosed in the notes to the financial statements; and
 - iii. that there are no instances of significant fraud of which we became aware or the involvement therein, of any member of management or an employee having a significant role in the Company's internal control system over financial reporting.

Form No. AOC-2

Particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013

Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered in to by the Company during the financial year ended on March 31, 2020, which were not at arm's length basis.

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

Sr. No.	Particulars	RPT – 1	RPT – 2	RPT – 3	RTP-4	RPT – 5	RPT – 6
1.	Name(s) of the related party and nature of relationship	Champalal Gopiram Agarwal	Sumit Champalal Agarwal	Gopi synthetics Private Limited	Aarnav Industries Private Limited	Gopi synthetics Private Limited	Aarnav Industries Private Limited
2.	Nature of contracts/ arrangements/ transactions	Rent Given	Rent Given	Loan Given	Loan Given	Interest Received on unsecured Loan	Interest Received on unsecured Loan
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2019-2020	F.Y. 2019-2020	F.Y. 2019-2020	F.Y. 2019-2020	F.Y. 2019-2020	F.Y. 2019-2020
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	All transactions entered by the Company are at Market rate and on arms' length basis	All transactions entered by the Company are at Market rate and on arms' length basis	All transactions entered by the Company are at Market rate and on arms' length basis	All transactions entered by the Company are at Market rate and on arms' length basis	All transactions entered by the Company are at Market rate and on arms' length basis	All transactions entered by the Company are at Market rate and on arms' length basis
5.	Date(s) of approval by the Board	April 19, 2019	April 19, 2019	April 19, 2019	April 19, 2019	April 19, 2019	April 19, 2019

6.	Amount of Transactions entered	Rs. 30,000	Rs. 30,000	Rs. 19,38,50,000	Rs. 10,84,00,000	Rs. 80,92,739	Rs. 49,25,961
7.	Amount paid as advances, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* The Lease agreement was entered on February 02, 2019 which is valid for 5 years w.e.f. date of agreement.

**PLACE: AHMEDABAD
DATE: 05/12/2020**

**AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AARNAV FASHIONS LIMITED**

MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421

MR. SUMIT CHAMPALALAGARWAL
MANAGING DIRECTOR
DIN: 00356863

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

India's textile industry is a significant industry in the global context, ranking second to China in the production of both cotton yarn and fabric and fifth in the production of synthetic fibers and yarns.

India's textile industry is comprised mostly of small-scale, non-integrated spinning, weaving, finishing, and apparel-making enterprises. This unique industry structure is primarily a legacy of government policies that have promoted labor-intensive, small-scale operations and discriminated against larger scale firms

The textile industry in India covers a wide gamut of activities ranging from production of raw material like cotton, jute, silk and wool to providing high value-added products such as fabrics and garments to consumers.

The textile industry plays a significant role in Indian economy by providing direct employment to an estimated 35 million people, by contributing 4 per cent of GDP and accounting for 35 per cent of gross export earnings. The textile sector contributes 14 per cent of the value-addition in the manufacturing sector.

GLOBAL ECONOMY

Trade tension between US and China were among the many factors that cushioned the economic outlook for year 2019. In 2019-2020, the Indian economy grew by 4.2 against 6.1 % expansion in 2018-19. Manufacturing activity and trade growth was low. Restrictions on movement of people, goods & services and containment measures began to have an extreme effect across the globe in the last quarter of the year under review. Due to the impact of COVID-19, the outlook for CY2020 looks deserted for the global economy. However, due to the COVID-19 pandemic, the International Monetary Fund has projected a sharp contraction of the global economy to a status much worse than what resulted from the 2008-09 financial crisis.

INDIAN ECONOMY

India is among the top five economy in the world, which will be among top 3 in coming decade. The pandemic has undoubtedly affected India, but with the right economic stimulus and the gradual opening up of the lockdown the situation can be expected to improve. To boost demand, 2019- 20 has witnessed significant easing of monetary policy with the repo rate having been cut by RBI by 110 basis points. Having duly recognized the financial stresses built up in the economy, the government has taken significant steps this year towards speeding up the insolvency resolution process under Insolvency and Bankruptcy Code (IBC) and easing of credit, particularly for the stressed real estate and Non-Banking Financial Companies (NBFCs) sectors

However, towards the end of the financial year the country witnessed outbreak of the Covid-19 pandemic. The Government imposed a nation-wide lockdown in multiple phases to curb the pandemic. As a consequence, the pace of growth across sectors along with private consumption and investments saw a decline and was a drag on growth for the

full year. Overall, the economy grew by 4.2% in 2019-2020, which is the slowest pace in the past 10 years.

INDIAN INDUSTRY

The textiles and apparel industry can be broadly divided into two segments - yarn and fiber and processed fabrics and apparel. The domestic textiles and apparel market was estimated at US\$ 100 billion in FY19.

India is the second largest producer and exporter of textiles after China and fourth largest producer and exporter of apparel after China, Bangladesh and Vietnam. The textiles and apparel industry constitutes ~11% of the total exports of the country. The Indian apparel sector is one of the fastest growing in the world, backed as it is by a robust demand growth. The country's apparel market is driven mainly by menswear, which commands a 42% share of the total market. Women's wear holds a 37% share while kids' wear account for 21% of the apparel market.

The impact of the coronavirus outbreak will weigh significantly on the Indian economic growth until the pandemic is brought under control. The prolonged financial stress on account of Covid-19 pandemic and employment loss has increased the probability of a more entrenched weakening of the Indian economy. The lockdown has brought manufacturing and services to a grinding halt, prompting many to predict that the economy may contract in 2020-2021. However, stimulus packages extended by the Government from time to time to support the economy should help mitigate the challenges and revive the economic growth in the long-term.

OPPORTUNITIES AND THREATS

<p>Strength</p> <ul style="list-style-type: none"> ✓ low cost labour ✓ availability of abundant raw material ✓ self-reliant industry ✓ flourishing domestic market 	<p>Weakness</p> <ul style="list-style-type: none"> ✓ More dependence on cotton ✓ lacks modernization ✓ no introduction to new technology ✓ Lack of professionalism and integration of supply chain
<p>Opportunity</p> <ul style="list-style-type: none"> ✓ Growing Industry ✓ Opportunity in High Value Items ✓ Entering new markets and segments ✓ Vertical integration 	<p>Threat</p> <ul style="list-style-type: none"> ✓ Decreasing Fashion Cycle ✓ Formation of Trading Blocks ✓ Unfavorable changes in the rates of foreign currencies and trade policies ✓ Changing needs and preferences of customers

OUTLOOK

The Indian textile and apparel industry has been adversely impacted in the short to mid-term due to lockdown and lower consumer spends. The sector is reeling under liquidity and cost pressure as well due to the unprecedented damage caused by COVID-19. Taking into account India's position as a preferred destination for sourcing textile and apparel products by leading brands worldwide, Indian garmenting sector is getting impacted with deferment and cancellation of orders.

The Company has taken steps to ensure the health and safety of its employees and customers. COVID-19 pandemic in the fourth quarter of 2019-2020 impacted the textile industry globally with production stagnation, supply chain disruptions and market closures. The resultant effect led to subdued exports and consumption numbers. Since the

global textile and apparel industry supply chain is highly integrated in nature, the Covid-19 impact will be seen in the near-term. However, with rising demand, raw material availability and lower labour cost in the developing countries, the industry is expected to display a CAGR of 4.3% from 2020 to 2027

RISKS AND CONCERNS

The Management has evaluated various risks like market risk, credit risk liquidity risk etc. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

A separate paragraph on internal control systems and their adequacy has been provided elsewhere in the Board's Report.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(Amount in Rs)

PARTICULARS	2019-2020	2018-2019
Revenue from Operations	3,54,237,389	15,802,009
Other Income	-	-
Total Income	3,54,237,389	15,802,009
Profit/(Loss) before Depreciation, Finance Costs, Exceptional items and Tax Expense	30,583,316	2,591,398
Less: Depreciation /Amortisation/Impairment	-	-
Profit/(Loss) before Finance Costs, Exceptional items and Tax Expense	30,537,750	2,591,398
Less: Finance Costs	-	125,176
Profit/(Loss) Exceptional items and Tax Expense	30,537,750	2,466,222
Add/(Less): Exceptional items	-	-
Profit/(Loss) before Tax	30,537,750	2,466,222
Provision for Taxation - Current Tax	7,563,998	550,085
Deferred Tax	(227,093)	107,013
Excess provision for Tax expense for earlier years	-	-
Profit for the year	23,200,845	1,809,124
Total Comprehensive Income/Loss (2)	23,200,845	1,809,124

During the year there were new growths happened in the company by which the company may reach to a new height soon.

During the year under review, Company has earned total income of Rs. 3542.37 Lakh as against the total income of Rs. 158.02 Lakh of previous year. The total income of the company was up by 2141.72s% over previous year. Further, Profit before Tax in the financial year 2019-20 stood at Rs.305.38 Lakh as compared to Rs 24.66 Lakh of last year and Net Profit after Tax stood at Rs.232.01 Lakh compared to profit of Rs. 18.09 Lakhs for previous year. The Profit before tax and Net profit After Tax was increased by 1138.24% and 1182.44% respectively over previous year.

As we are aware due to Covid-19 pandemic, the Company's operation were closed due to nation wise lockdown from March 22, 2020. During the lockdown, economic activities across all sectors are adversely affected. Gradually all activities are resuming, however it is very much uncertain to assume the time by which the same will return to normalcy. This will certainly affect the operations including revenue and profitability and liquidity of the Company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Your Company has been continuously working to improve human resources skills, competencies and capabilities in the Company, which is critical to achieve desired results in line with our strategic business ambitions. As the number of employees are limited the company has not carried large program for them.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS ALONGWITH EXPLANATION

In compliance with the requirement of the Listing Regulations, the key financial ratios of the Company along with explanation for significant changes (i.e., for change of 25% or more as compared to the immediately previous financial year will be termed as 'significant changes'), has been provided hereunder:

SL NO.	PARTICULARS	<u>2019-20</u>	<u>2018-19</u>
1	DEBTORS T.O. RATIO (in Days)	130	383
2	INVENTORY T.O. RATIO (in Days)	2.25	57.42
3	INTEREST COVERAGE RATIO (%)	NA	2072.8
4	CURRENT RATIO	2.74	8.40
5	DEBT EQUITY RATIO	NA	NA
6	OPERATING PROFIT MARGIN RATIO (%)	8.62	15.61
7	NET PROFIT MARGIN RATIO (%)	6.55	11.45

DISCLOSURE OF ACCOUNTING TREATMENT:

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction.

CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis, describing the Company's objective, projections and estimates are forward looking statements and progressive within the meaning of applicable security Laws and Regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

CONCLUSION

To conclude, the performance of the company during the year 2019-2020 was improved in all parameters as compared to previous years. In spite of lots of challenges, the performance of the company was satisfactory. By implementing cost effective measures and aggressive marketing strategies the company will achieve further improvement in its performance and serve the stakeholder's in a way ahead.

Certificate on Corporate Governance

To,
The Members of
AARNAV FASHIONS LIMITED
(Formerly known as Kayel Securities Limited)

We have examined the Compliance Conditions of Corporate Governance by **AARNAV FASHIONS LIMITED** for the year ended on 31st March, 2020 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April, 2019 to 31st March, 2020. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 5th December, 2020
Place: Ahmedabad

Ravi Kapoor & Associates

Ravi Kapoor
Proprietor
Mem. No FCS. 2587
COP No.: 2407
UDIN: F002587B001411830

AUDITORS' REPORT

To the Members of
M/s. AARNAV FASHIONS LIMITED
(Formerly known as Kayel Securities Limited)

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/s. AARNAV FASHIONS LIMITED (Formerly known as Kayel Securities Limited)** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020 and its profit & total Comprehensive Income, Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No. 2.34 of the standalone financial statements, which describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

Responsibility of Management for Standalone 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 standalone 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 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 judgements and estimates that are responsible 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.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statement

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

A further description of the auditor's responsibilities for the audit of the standalone financial statements is included in "Annexure-A". This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure – B", statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit, 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, the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and the cash flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure - C”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) 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 for which provision have not been made which would impact its financial position.
 - ii) There are no long term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
 - iii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iv) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company.

As per our Report of Even Date For and on Behalf of

**NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 106801W**

Place : Ahmedabad

Date : 30/06/2020

**(CA. GAURAV NAHTA)
PARTNER
MEM. NO. 116735
UDIN:- 20116735AAAAEF4755**

Annexure “A” to the Independent Auditor’s Report Responsibilities for Audit of Financial Statement

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

As per our Report of Even Date For and on Behalf of

**NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 106801W**

Place : Ahmedabad

Date : 30/06/2020

**(CA. GAURAV NAHTA)
PARTNER
MEM. NO. 116735
UDIN:- 20116735AAAAEF4755**

Annexure “B” to the Independent Auditor’s Report

The Annexure referred to in our Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report that;

- (i) In respect of Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As per the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of Inventory:
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.
- (iii) The company has granted loan, unsecured loan to parties covered in the register maintained u/s. 189 of the Companies Act:
 - (1) The loan given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company’s interest;
 - (2) The schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
 - (3) In respect of the said loans and interest thereon, there are no overdue amounts.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.
- vi) According to the information and explanation given to us, the company is not required to maintain the Cost Records under section 148 (I) of the Companies Act, 2013.

- vii)
- (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Goods & Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31st March, 2020 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no material dues of Income Tax, Wealth Tax, Sales Tax, Goods and Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. As there are no debentures, the question of repayment does not arise.
- (ix) During the year under consideration, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or any Term Loan.
- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, we report that the managerial remuneration has been paid and provided in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment/private placement of 1,20,00,000 equity shares @Rs.12.50 per share during the year under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions, of the nature as described in section 192(1) of the Act, with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

As per our Report of Even Date For and on Behalf of

**NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 106801W**

**Place : Ahmedabad
Date : 30/06/2020**

**(CA. GAURAV NAHTA)
PARTNER
MEM. NO. 116735
UDIN:- 20116735AAAAEF4755**

Annexure “C” to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of **M/s. AARNAV FASHIONS LIMITED** (Formerly known as Kayel Securities Limited) (“the Company”), as of 31ST March, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide

reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

As per our Report of Even Date For and on Behalf of

**NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 106801W**

Place : Ahmedabad

Date : 30/06/2020

**(CA. GAURAV NAHTA)
PARTNER
MEM. NO. 116735
UDIN:- 20116735AAAAEF4755**

AARNAV FASHIONS LIMITED
(Formerly known as Kayel Securities Limited)
BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
		Rs.	Rs.
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	2	170,869	
(b) Financial Assets			
(i) Investments	2.1	18,82,875	18,82,875
(ii) Bank Balances other	2.2	-	-
(c) Deferred tax assets (net)	2.3	309,710	82,617
(2) Current Assets			
(a) Inventories	2.4	-	42,06,823
(b) Financial Assets			
(i) Trade receivables	2.5	12,17,33,258	1,40,35,825
(ii) Cash and cash equivalents	2.6	4,02,221	6,13,495
(iii) Loans	2.7	20,18,16,829	1,81,78,738
(c) Other Current Assets	2.8	-	20,52,848
Total		32,63,15,762	4,10,53,221
I. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	2.9	15,00,50,000	3,00,50,000
(b) Other Equity	2.10	5,8065,783	63,50,440
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	2.11		
- Total outstanding dues of micro and small enterprises			
- Total outstanding dues of other than micro and small enterprises		11,14,84,399	42,29,068
(ii) Short term borrowings	2.12	-	-
(b) Other Current Liabilities	2.13	5,11,441	16,518
(c) Provisions	2.14	-	31,645
(d) Current Tax Liabilities (net)	2.15	62,04,139	3,75,552
Total		32,63,15,762	4,10,53,221

NOTES TO ACCOUNTS

Summary of significant accounting policies

The Accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

FOR, NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

FIRM REGN. NO. 106801W

(CA. GAURAV NAHTA)
PARTNER
MEM. NO. 116735

PLACE : AHMEDABAD

For and on behalf of the Board of Directors

AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

CHAMPALAL AGARWAL
DIN: 01716421
CHAIRMAN AND DIRECTOR

SUMIT AGARWAL
DIN: 00356863
MANAGING DIRECTOR

NIDHI AGRAWAL
DIN: 08364168
NON- EXECUTIVE DIRECTOR, COMPANY SECRETARY &
COMPLIANCE OFFICER

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

DATE : 30/06/2020

AARNAV FASHIONS LIMITED
(Formerly known as Kayel Securities Limited)
PROFIT AND LOSS STATEMENT AS ON 31ST MARCH, 2020

Sr. No	Particulars	Notes	FY 2018-19	FY 2017-18
I	Revenue from operations	2.16	354,237,389	1,58,02,009
II	Other Income		-	-
III	III. Total Revenue (I +II)		354,237,389	1,58,02,009
IV	Expenses:			
	Purchase of Stock in Trade		317,451,369	1,63,25,849
	Changes in inventories Stock-in-Trade	2.17	4,206,823	-42,06,823
	Employee Benefit Expense	2.18	641,786	2,34,647
	Financial Costs	2.19	-	1,25,176
	Depreciation and Amortization Expense		45,566	
	Other Expenses	2.20	1,354,095	8,56,936
	Total Expenses (IV)		323,699,639	1,33,35,786
V	Profit before exceptional and extraordinary items and tax	(III - IV)	30,537,750	24,66,224
VI	Exceptional Items (Prior Period)		-	-
VII	Profit before tax (VII - VIII)		30,537,750	24,66,224
VIII	Tax expense:			
	Provision for current tax	2.3	7,515,000	532,365
	Excess Provision of Current Tax of Earlier Year		48,998	17,721
	Deferred Tax		-227,093	1,07,013
IX	Profit(Loss) for the period from continuing operations	(VII-VIII)	23,200,845	18,09,126
X	Other Comprehensive Income		-	-
	Total Comprehensive Income		23,200,845	18,09,126
XI	Earning per equity share of face value of Rs. 10	2.22	1.87	0.60
	Basic & Diluted			

NOTES TO ACCOUNTS

Summary of significant accounting policies

The Accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

FOR, NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

FIRM REGN. NO. 106801W

(CA. GAURAV NAHTA)
PARTNER
MEM. NO. 116735

PLACE : AHMEDABAD
DATE : 30/06/2020

For and on behalf of the Board of Directors
AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

CHAMPALAL AGARWAL
DIN: 01716421
CHAIRMAN AND DIRECTOR

SUMIT AGARWAL
DIN: 00356863
MANAGING DIRECTOR

NIDHI AGRAWAL
DIN: 08364168
NON- EXECUTIVE DIRECTOR, COMPANY
SECRETARY & COMPLIANCE OFFICER

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

Statement for changes in equity for the year ended 31st March, 2020

A) Equity Share Capital			
			(Amount in Rupees)
Equity Shares of Rs 10 Each issued, subscribed and fully paid	No of Shares	Rs	
As at 1st April, 2018	30,05,000	3,00,50,000	
Changes during the year	-	-	
As at 31st March, 2019	30,05,000	3,00,50,000	
Changes during the year	1,20,00,000	120,000,000	
As at 31st March, 2020	1,50,05,000	150,050,000	
B) Other Equity			
			(Amount in Rupees)
Particulars	Securities Premium	Retained Earnings	Total
Balance as at 1st April, 2018	27,60,000	17,81,314	45,41,314
Changes during the year	-	18,09,124	18,09,124
Balance as at 31st March, 2019	27,60,000	35,90,438	63,50,438
Changes during the year	2,85,14,500	2,32,00,845	5,17,15,345
Balance as at 31st March, 2020	3,12,74,500	2,67,91,283	5,80,65,783

NOTES TO ACCOUNTS

Summary of significant accounting policies

The Accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

FOR, NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

FIRM REGN. NO. 106801W

(CA. GAURAV NAHTA)
PARTNER
MEM. NO. 116735

PLACE : AHMEDABAD
DATE : 30/06/2020

For and on behalf of the Board of Directors
AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

CHAMPALAL AGARWAL
DIN: 01716421
CHAIRMAN AND DIRECTOR

SUMIT AGARWAL
DIN: 00356863
MANAGING DIRECTOR

NIDHI AGGRAWAL
DIN: 08364168
NON- EXECUTIVE DIRECTOR, COMPANY
SECRETARY & COMPLIANCE OFFICER

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

AARNAV FASHIONS LIMITED		
(Formerly known as Kayel Securities Limited)		
(Amount in Rupees)		
CASH FLOW STATEMENT FOR THE YEAR ENDING ON 31st MARCH, 2020		
Particulars	2019-20	2018-19
A Cash Flow From Operating Activity		
Profit before Taxes	30537750	2466224
Ajustments For:		
Depreciation	45566	0
Prior Period Items	(48998)	(17721)
Interest Expenses	0	0
Operation profit/loss before Working Capital Changes	30534318	2448503
Adjustments for changes in working capital		
Adjustment for:		
Short Term Borrowings	0	0
Increase/ (Decrease) Trade Payable	107255331	4061946
Increase/ (Decrease) Other Current Liabilities	463278	22940
Increase/ (Decrease) Provision	5828587	290942
(Increase)/ Decrease Loans		13370077
(Increase)/ Decrease Trade Receivables	(107697433)	(14035825)
(Increase)/ Decrease Other Current Assets	(181585243)	(2052848)
(Increase)/ Decrease Inventory	4206823	(4206823)
Cash Generated from / (used in) operations	(140994339)	(101088)
Taxes (paid)/Received	(7515000)	(532364)
Net Cash from/(used in) Operating activity	(148509339)	(633452)
B CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Bank deposits (having original maturity of more than 3 months)	0	2752540
(Purchase) / sale of Fixed Assets	(216435)	0
Net cash used in Investing activities	(216435)	2752540
C CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Addition in Borrowings	0	(1597904)
Proceeds from Issue of New Shares including Premium	148514500	0
Net cash used in Financing activities	148514500	(1597904)
Net increase/(Decrease) in cash and cash equivalent	(211274)	521184
Opening balance of cash and cash equivalent	613495	92311
Closing balance of cash and cash equivalent	402221	613495

Statement of Cash Flow for the Year Ended March 31, 2020 (Cont.)
Notes:
i) Components of Cash & Cash Equivalents

Particulars	2019-20	2018-19
Cash On Hand	1,33,103	1,10,885
Balance with Bank	2,69,118	5,02,610
Fixed Deposit with Bank	-	-
	4,02,221	6,13,495

ii) Reconciliation of liabilities arising from financing activities

As at March 31, 2020	Opening Balance	Cash Flows	Closing balance
Long term Borrowings (Incl. Current maturity)			
Short term Borrowings			
Total liabilities from financing activities	-	-	-
As at March 31, 2019	Opening Balance	Cash Flows	Closing balance
Long term Borrowings (Incl. Current maturity)			
Short term Borrowings			
Total liabilities from financing activities	-	-	-

Notes to Cash Flow Statement

- The above cash flow statement has been prepared in accordance with format prescribed under Ind AS 7.
- Previous year's figures have been reclassified /regrouped wherever considered necessary.
- Figures in bracket indicate cash outflow

NOTES TO ACCOUNTS

Summary of significant accounting policies

The Accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

FOR, NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

FIRM REGN. NO. 106801W

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DIN: 00356863
MANAGING DIRECTOR

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

Notes to Standalone Financial Statement

1. (A) CORPORATE INFORMATION:

AARNAV FASHIONS LIMITED (Formerly known as Kayel Securities Limited) (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange of India. The registered office of the Company is located at Shop No. 1, New Cloth Market, O/s Raipur gate, Ahmedabad-380002. The Company is mainly engaged in the business of Trading of Textiles and financial services.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 30th June, 2020.

(B) BASIS OF PREPARATION:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value. Refer accounting policy regarding financial instruments.

The financial statements are presented in Rupees.

1.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. CURRENT VERSUS NON-CURRENT CLASSIFICATION:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the initial transactions.

b. FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Management after discussion with the Board of Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant accounting judgements, estimates and assumptions, Quantitative disclosures of fair value measurement hierarchy and Financial instruments (including those carried at amortised cost) are stated by way of the note at the appropriate place of the accounts.

c. FINANCIAL INSTRUMENTS:

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments - measured at amortised cost
- Debt instruments, derivatives and equity instruments - measured at fair value through Profit or Loss (FVTPL)
- Equity instruments - measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade, loans and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

Investments in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements. All equity investments in scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has

neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial guarantee contracts which are not measured at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

The Balance Sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost:

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit facilities from banks.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through Statement of Profit and Loss.

Financial liabilities at fair value through Profit or Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through statement of Profit and Loss are designated as such at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability at FVTPL.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value through Statement of Profit and Loss (FVTPL), adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

d. INVENTORIES:

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, wherever considered necessary. Cost is determined on a FIFO (First in First Out).

Cost includes purchase cost and other direct cost incurred in bringing them in their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to make the sale.

e. Revenue recognition

Revenue from sale of goods and services is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties. In determining the transaction price, the Company considers below, if any:

Variable consideration:

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Significant financing component:

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good to the customer and when the customer pays for that good or service will be one year or less.

Consideration payable to a customer:

Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good that the customer transfers to the Company. Further, in accordance with Ind AS 37, the Company recognizes a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contract balances:

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognized as revenue when the Company performs under the contract.

Sale of services

Income from service rendered is recognized on accrual basis based on the terms of agreements and when services are rendered.

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

f. TAXES:

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable Profit or Loss.
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- ▶ When the deferred tax asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

g. PROVISIONS:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

h. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

i. CASH AND CASH EQUIVALENT:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of charges in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

j. CASH DIVIDEND

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k. BORROWING COSTS:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l. LEASING: Ind AS 116 – Leases:

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured

by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.

Lessee Accounting

1. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
2. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee.
3. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, Plant and equipment.
4. Recognition and measurement exemption is available for low-value assets and short term leases. Assets of low value include IT equipment or office furniture. No monetary threshold has been defined for low-value assets. Short-term leases are defined as leases with a lease term of 12 months or less.
5. If an entity chooses to apply any one of the exemptions, payments are recognised on a straight-line basis or another systematic basis that is more representative of the pattern of the lessee's benefit.

1.2 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Fair value measurement for financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.0	Property, plant and equipment		(Amount in Rs.)
	Particulars	ROU	TOTAL
	Cost / Deemed cost		
	As at April 1, 2018	-	-
	Additions	-	-
	Deductions	-	-
	As at March 31, 2019	-	-
	Additions	2,16,435	2,16,435
	Deductions	-	-
	As at March 31, 2020	2,16,435	2,16,435
	Accumulated depreciation		
	As at April 1, 2018	-	-
	Depreciation for the year	-	-
	Deductions	-	-
	As at March 31, 2019	-	-
	Depreciation for the year	45,566	45,566
	Deductions	-	-
	As at March 31, 2020	45,566	45,566
	Net Block		
	As at March 31, 2020	1,70,869	1,70,869
	As at March 31, 2019	-	-
	As at April 1, 2018	-	-

Notes on Financial Statements for the year ended 31st March, 2020

Note : 2.1 Investments

(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments in Equity Instruments		
Unquoted Investment		
100 (31st March, 2019: 100) Equity shares of Nikesh Silk Private Limited of Rs 10/- Each.	1,000	1,000
2,11,500 (31st March, 2019: 2,11,500) Equity Shares of Kayel Syntex Limited of face Value of Rs.10/- Each.	18,81,875	18,81,875
Total	18,82,875	18,82,875
Current	-	-
Non-Current	18,82,875	18,82,875
Aggregate book value of unquoted Investments	18,82,875	18,82,875

Note : 2.2 Bank Balances Other
(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Bank		
Current	-	-
Non Current	-	-
Total	-	-

Note : 2.3 Deferred Tax Assets
(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Tax Assets:	3,09,710	82,617
Total	3,09,710	82,617

INCOME TAX
(Amount in Rupees)

(a) The major component of income tax expenses for the years ended 31st March 2020 and 31st March 2019 are:

Particular	As at 31st March, 2020	As at 31st March, 2019
Statement of Profit and Loss		
Current Tax		
Current Income Tax	75,15,000	5,32,364
Deferred Tax		
Deferred tax	(2,27,093)	1,07,013
Tax in respect of earlier years	48,998	17,721
Income tax expense reported in the Statement of Profit and Loss	73,36,905	6,57,098
Other comprehensive Income (OCI)		
Deferred Tax related to items recognised in OCI during the Year	-	-
Tax Credited to OCI	-	-

(b) Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate for the year ended 31st March 2020 and 31st March 2019

Particular	As at 31 st March, 2020	As at 31 st March, 2019
Accounting Profit before tax	3,05,37,750	24,66,222
Enacted income tax rate in India applicable to the Company	25.168	26.00
Tax using the Company's domestic tax rate	76,85,741	6,41,218
Tax Effects of:		
Income Tax Allowances	(1,70,741)	(1,08,854)
Excess Provision for Current tax of earlier years	48,998	17,721
Other	(2,27,093)	1,07,013
Tax Expense at the effective income tax rate of 31st March, 2020: 25.168% (31st March, 2019: 26.00%)	73,36,905	6,57,098

(c) Deferred Tax
(Amount in Rupees)

Particulars	Statement of Profit and Loss	
	As at 31st March, 2020	As at 31st March, 2019
Other Adjustments	(2,27,093)	1,07,013
Total	(2,27,093)	1,07,013

Particulars	Balance Sheet	
	As at 31 March 2020	As at 31 March 2019
Defferd Tax Assets	3,09,710	82,617
Total	3,09,710	82,617

Note : 2.4 Inventories
(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trading Goods-At cost or Market value whichever is lower	-	42,06,823
Total	-	42,06,823

Note : 2.5 Trade Receivables
(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	12,17,33,258	1,40,35,825
Total	12,17,33,258	1,40,35,825

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note : 2.6 Cash & Cash Equivalent
(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash-in-Hand		
Cash Balance	1,33,103	1,10,885
Sub Total (A)	1,33,103	1,10,885
Balance with Scheduled Bank		
-In Current account	2,69,118	5,02,610
Sub Total (B)	2,69,118	5,02,610
Total [A + B]	4,02,221	6,13,495

Note : 2.7 Loans
(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered Good)		
- Loan to Related Parties	20,18,16,829	-
- Loan to Others	-	1,81,78,738
- Loan to Employees Staff	-	-

Total	20,18,16,829	1,81,78,738
Current	20,18,16,829	1,81,78,738
Non Current	-	-
Total	20,18,16,829	1,81,78,738

Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013

(Amount in Rupees)

Particulars	Amount outstanding as at 31st March, 2020	Maximum balance during the year 31st March, 2020
M/s. Aarnav Industries Pvt. Ltd.	29,33,364	8,35,60,655
M/s. Gopi Synthetics Pvt. Ltd.	19,88,83,465	19,88,83,465
Total	20,18,16,829	28,24,44,120

Particulars	Amount outstanding as at 31st March, 2019	Maximum balance during the year 31st March, 2019
M/s. Kantilal Loonchand	-	62,068
Kayel Syntex Limited	-	3,49,857
Total	-	4,11,925

Note : 2.8 Other Current Assets

(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance with Revenue Authority (GST)	-	1,52,420
Advance to Supplier	-	19,00,428
Total	-	20,52,848

Note : 2.9 Share Capital

(Amount in Rupees)

	Particulars	As on 31st March, 2020		As on 31st March, 2019	
		No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
a	<u>AUTHORIZED CAPITAL</u>				
	Equity Shares of Rs 10 each	15,100,000	151,000,000	31,00,000	31,000,000
		15,100,000	151,000,000	31,00,000	31,000,000
b	<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u>				
	Equity Shares of Rs 10 each	15,005,000	150,050,500	30,05,000	30,050,000
		15,005,000	150,050,500	30,05,000	30,050,000
		-	-	-	-
	Total	15,005,000	150,050,000	30,05,000	30,050,000

b RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

Particulars	As on 31st March, 2020		As on 31st March, 2019	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares outstanding at the beginning of the Year	30,05,000	3,00,50,000	30,05,000	3,00,50,000
Shares Issued during the Year	1,20,00,000	12,00,00,000	-	-
Shares bought back during the Year	-	-	-	-
Shares outstanding at the end of the Year	1,50,05,000	15,00,50,000	30,05,000	3,00,50,000

c Rights, preference and restriction attached to Equity Shares

(i) The company has only one class of equity shares having a face value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share.

d There were no shares reserved at the year-end for issue under options and contracts / commitments for the sale of shares / disinvestment.

Shareholders holding more than 5% of the Shares

Name	Current Year		Previous Year	
	No. of Shares	%	No. of Shares	%
Champalal Gopiram Agarwal	20,41,373	13.61	8,41,373	28.00
Sumit Champalal Agarwal	20,41,372	13.61	8,41,372	28.00
Piyushkumar Balar	12,00,000	8.00	-	-
Abhishekkumar Balar	12,00,000	8.00	-	-
Nirmaladevi S. Jain	8,00,000	5.33	-	-
Sudeepkumar Sampatmal HUF	8,00,000	5.33	-	-
Anil Mithalal Jain	4,24,750	2.83	4,50,000	14.98
Sudip Dasani	2,60,391	1.74	5,00,000	16.64
Ashish K Shah	-	0.00	1,60,000	5.32

As per the records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding legal ownerships of shares.

f Aggregate number of Bonus Shares issued, shares issued for consideration other than Cash and Shares Bought back during the Period of five Years immediately preceding the reporting date. - Nil

g Unpaid Call Money – Nil

Note : 2.10 Other Equity
(Amount in Rupees)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Securities Premium		
- Balance as per last financial statement	27,60,000	27,60,000
Addition during the year	2,85,14,500	-
- Closing Securities Premium (A)	3,12,74,500	27,60,000
Securities Premium is used to record the premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013		
Retained Earnings		
Balance brought forward from previous year	35,90,438	17,81,314
Add: Profit for the year	2,32,00,845	18,09,124
- Closing Retained Earnings (B)	2,67,91,283	35,90,438
Total Other Equity (A+B)	5,80,65,783	63,50,438

Note : 2.11 Trades Payable
(Amount in Rupees)

Particulars	As on 31st March, 2020	As on 31st March, 2019
Sundry Creditors for Goods		
- Total outstanding dues of micro and small enterprises	-	-
- Total outstanding dues of other than micro and small enterprises	11,10,43,518	41,58,238
Sundry Creditors for Expenses		
- Total outstanding dues of micro and small enterprises	-	-
- Total outstanding dues of other than micro and small enterprises	4,40,881	70,830
Total	11,14,84,399	42,29,068

As per information given to us there were no amount overdue and remaining outstanding to small scale and /or ancillary Industrial suppliers on account of principal and /or interest as at the close of the year. Based on the information available with company, there are no dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for more than 45 days as at March 31, 2020.

Note : 2.12 Short Term Borrowings
(Amount in Rupees)

Particulars	As on 31st March, 2020	As on 31st March 2019
Unsecured Loan From Corporates	-	-
Total	-	-

Note :2.13 Other Current Liabilities
(Amount in Rupees)

Particulars	As on 31st March, 2020	As on 31st March, 2019
Statutory Liabilities	5,11,441	16,518
Total	5,11,441	16,518

Note :2.14 Provisions
(Amount in Rupees)

Particulars	As on 31st March, 2020	As on 31st March, 2019
Provision for Expenses	-	31,645
Total	-	31,645

Note :2.15 Current Tax Liabilities (Net)
(Amount in Rupees)

Particulars	As on 31st March, 2020	As on 31st March, 2019
Provision for Taxes (Net of Advance Tax /Tax deducted at Source)	62,04,139	3,75,552
Total	62,04,139	3,75,552

Note : 2.16 Revenue from Operations
(Amount in Rupees)

Particulars	For the year Ended on 31st March, 2020	For the year Ended on 31st March, 2019
Disaggregated Revenue Information		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Type of Goods or service		
Sale of Goods	34,10,75,768	1,33,67,453
Financial Services	1,31,61,621	24,34,556
Total Revenue from Operations	35,42,37,389	1,58,02,009
Sales of Goods		
In India	34,10,75,768	1,33,67,453
Outside India	-	-
	34,10,75,768	1,33,67,453
Financial Services		
In India	1,31,61,621	24,34,556
Outside India	-	-
	1,31,61,621	24,34,556
Total Revenue from contracts with Customers	35,42,37,389	1,58,02,009
Timing of Revenue Recognition		
Goods and services transferred at a point in time	35,42,37,389	1,58,02,009
Total Revenue from contracts with Customers	35,42,37,389	1,58,02,009
Goods and Service Tax ("GST") has been implemented from July 1, 2017 which replaces excise duty and other input taxes. As per Ind AS 115, the revenue for the year ended March 31, 2020 and the revenue for the year ended March 31, 2019 both are reported net of GST.		
Outstanding Balances:		
Particulars	As on 31st March, 2020	As on 31st March, 2019
Contract Balances		
Trade Receivables	12,17,33,258	1,40,35,825
Provision to be recognised for any expected credit losses on trade receivables for the position as on 31st, March 2020 Rs Nil (31st, March 2019 - Rs. Nil)		
Particulars	As at 31.03.2020	As at 31.03.2019
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price Revenue as per contracted price (net of taxes)	35,42,37,389	1,58,02,009
Adjustments:		
Provision for sales return, late deliveries, etc	-	-
Revenue from contract with customers	35,42,37,389	1,58,02,009

Performance Obligation

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March 2020 is Rs Nil (31st March 2019 is Rs Nil)

Note : 2.17 Changes in inventories of Stock-in-Trade
(Amount in Rupees)

Particulars	For the year Ended on 31st March, 2020	For the year Ended on 31st March, 2019
Closing Stock		
Stock in Trade	-	42,06,823
Opening Stock		
Stock in Trade	42,06,823	-
(Increase)/Decrease in Inventory	42,06,823	-42,06,823

Note :2.18 Employment Benefit Expenses
(Amount in Rupees)

Particulars	For the year Ended on 31st March, 2020	For the year Ended on 31st March, 2019
Salary, Wages and Bonus	6,41,786	2,34,647
Total	6,41,786	2,34,647

Note :2.19 Financial Cost
(Amount in Rupees)

Particulars	For the year Ended on 31st March, 2020	For the year Ended on 31st March, 2019
Interest on unsecured loans	-	1,25,176
Total	-	1,25,176

Note : 2.20 Other Expenses
(Amount in Rupees)

Particulars	For the year Ended on 31st March, 2020	For the year Ended on 31st March, 2019
Payment to Auditors		
- Statutory Audit	1,00,000	5,900
- Other Matter	-	11,800
Advertisement expenses	61,078	37,824
Miscellaneous Expenses	93,762	1,03,437
Conveyance Expenses	90,950	67,320
Postage and Telegram	34,079	31,460
Telephone Expenses	8,075	6,305
Listing Fees	3,00,000	2,95,000
Filing Fees	13,000	11,500
Printing & Stationery Expenses	34,589	11,280
Office Expenses	87,978	97,815
Legal and Professional Charges	4,15,601	1,55,578
Membership & Subscription	5,411	1,770
Leased Property Charges	24,036	12,500
Packing Material Expenses	80,250	-

Bank Charges / Commission & Postage	1,760	7,449
Sundry Balance W/off	3,526	-
Total	13,54,095	8,56,938

Note : 2.21 Other Disclosures

a Related Party Disclosures:

Name of the Related Parties and Description of Relationship	Nature of Relationship
Particulars of Associates	
Kayel Syntex Limited (ceased w.e.f. 21.02.2019)	Associate
Kantilal Loonchand (ceased w.e.f. 21.02.2019)	Associate
Sachi Enterprise (w.e.f. 08.01.2019)	Associate
Director/KMP For the year 2019-2020	Designation
- Sumit Agarwal (appointed from 08/01/2019)	Managing Director
- Champalal Agarwal (appointed from 08/01/2019)	Director & Chairman
- Rakesh L. Kankariya (ceased with effect from 21/02/2019)	Director
- Rahul K. Kankariya (ceased with effect from 08/01/2019)	Director

b Related Party Transactions:

Particulars	F.Y. 2019-20	F.Y. 2018-19
Outstanding Receivable as at year end		
Gopi Synthetics Pvt. Ltd.	19,88,83,465	-
Aarnav Industries Pvt. Ltd.	29,33,364	-
Loan Given		
Gopi Synthetics Pvt. Ltd.	19,16,00,000	-
Aarnav Industries Pvt. Ltd.	8,00,00,000	-
Loan Given repaid		
Kayel Syntex Ltd	-	3,49,857
M/s. Kantilal Loonchand	-	62,068
Aarnav Industries Pvt. Ltd.	8,00,00,000	-
Loan Taken		
Sachi Enterprise	-	1,51,000
Loan Taken and repaid		
Sachi Enterprise	-	1,51,000
Interest Earned/Received		
Gopi Synthetics Pvt. Ltd.	80,92,739	-
Aarnav Industries Pvt. Ltd.	49,25,961	-

Terms and conditions of transactions with related parties

Outstanding balances as at year end are unsecured and settlement not occurs other than cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2020 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2019:

Rs. Nil). This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

Note : 2.22 Earning Per Share

Particulars	F.Y. 2019-20	F.Y. 2018-19
Net Profit as per Profit & Loss	2,32,00,845	18,09,124
Amount available for Equity Shareholders	2,32,00,845	18,09,124
Weighted average number of Equity shares	1,23,82,049	30,05,000
Face Value per Share (in Rs.)	10.00	10.00
Basic & Diluted Earnings per share (in Rs.)	1.87	0.60

2.23 Employee Benefits - No Benefit other than Salary and Bonus are payable by the company to its employees.

2.24 COMMITMENTS AND CONTINGENCIES - Rs Nil

2.25 SEGMENT REPORTING

Operating Segments:

The Company is engaged in the business of trading of Textiles and financial Services. In accordance with the requirements of Ind AS 108 "Operating Segments" Company has identified these two segments as reportable segments.

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

Segment Assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of trade receivables, inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which cannot be allocated to any of the business segment are shown as unallocable assets / liabilities.

Particular	For the Year ended	
	31st March 2019	31st March 2018
Segment Revenue		
a) Financial Services	1,31,61,621	24,34,556
b) Trading	34,10,75,768	1,33,67,453

Total	35,42,37,389	1,58,02,009
Net Sales/Income from Operation	35,42,37,389	1,58,02,009
Segment Results		
a) Financial Services	1,31,61,621	23,09,380
b) Trading	1,94,17,576	12,48,427
Total	3,25,79,197	35,57,807
Less: i) Interest	-	-
ii) Other unallocable Expenses	20,41,447	10,91,585
Total Profit Before Tax	3,05,37,750	24,66,222
Segment Assets		
a) Financial Services	20,36,99,704	2,00,61,613
b) Trading	12,17,33,258	2,02,95,496
c) Unallocated	8,82,800	6,96,112
Total Segment Assets	32,63,15,762	4,10,53,221
Segment Liabilities		
a) Financial Services	-	-
b) Trading	11,14,84,399	42,29,068
c) Unallocated	67,15,580	4,23,715
Total Segment Liabilities	11,81,99,979	46,52,783

Financial Instruments measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at fair value plus in the case of financial assets not recorded at fair value through Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

2.27 Figures have been rounded off to nearest rupee.

2.28 Balance of Sundry Debtors, Creditors, Loans and advances, unsecured loans are subject to confirmation.

2.29	C.I.F. value of Imports	<u>31.03.2020</u>	<u>31.03.2019</u>
	- Raw Materials/Cloth	-	-

2.30	Expenditure in Foreign Currency :-		
	- Foreign Travelling Exp.	-	-
	Earnings in Foreign Currency :-		
	- FOB VALUE OF EXPORTS	-	-

2.31 Break up of expenditure incurred on employess who were in receipt of remuneration aggregating Rs.1,02,00,000/- or more for year or Rs.8,50,000/- or more per month, where employed for a part of the year Rs.Nil (Previous Year Rs.Nil).

2.32	The Profit and Loss Account includes:	<u>31 March 2020</u>	<u>31 March 2019</u>
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Auditors Remuneration includes: (Excl.GST/Ser.Tax)

- For Statutory Audit	50000	5000
- For Tax Audit, Certification & Other Compliance Fees	50000	-

2.33 Micro & Small Enterprises Dues

As per information given to us there were no amount overdue and remaining outstanding to small scale and /or ancillary Industrial suppliers on account of principal and /or interest as at the close of the year. Based on the information available with company, no dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for more than 45 days as at March 31, 2020.

2.34 Notes on COVID-19

World Health Organisation (WHO) declared outbreak of Corona virus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and respective State Governments. COVID-19 has substantially impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till May 17, 2020. Normal Activity of the Company has commenced at various dates during the month of May 2020 and in a staggered manner. The Company has made detailed assessment of its liquidity position for the next year including avenues to raise new funds / refinancing, recoverability of its assets comprising of property, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions and estimates made by the Management of the Company, the Company expects to recover the carrying amount of these assets. It expects short term challenges in operating environment and has undertaken various cost containment initiatives which will yield results in medium to long term. At this time, the Company expects demand to pick up in long term and attain pre-covid levels of performance.

The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 on revenue from operations, profitability and recoverability of investments and account receivables. The outcome of the same may be different from that estimated as at the date of approval of these Ind AS financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

2.35 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise of trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include investments, trade receivable and cash and cash equivalent that derive directly from its operations.

The Company's risk management is carried out by the corporate finance. The corporate finance identifies and evaluates financial risks in close co-operation with the Company's Business Heads.

(a) **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, deposits, investments, trade and other receivables, trade and other payables and derivative financial instruments.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of Profit and Loss may differ materially from these estimates due to actual developments in the global financial markets.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have interest bearing borrowings as on 31st March, 2020.

(ii) Foreign currency risk

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity shares recognised at FVTOCI. As at 31st March 2020, the carrying value of such instruments recognised at FVTOCI amounts to Rs 1,882,875. (31st March 2019 Rs 1,882,875).

The management expects that the exposure to risk of changes in market rates of these investment in equity shares is minimal.

(b) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of counterparty to which the Company grants credit terms in the normal course of business.

Concentrations of Credit risk form part of Credit risk

Customer credit risk is managed by each business unit subject to the Company's established policy and procedures. Trade receivables are non-interest bearing and generally have a credit period not exceeding 120 days. Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Reconciliation of loss allowance provision – Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Loss allowance as at beginning of the year	0	0
Changes in Loss allowance	0	0
Loss allowances as at end of the year	0	0

(c) Liquidity risk

Company doesn't have any Bank Borrowings. Company generally has enough liquid assets in the form of Cash and Bank Deposits to pay outstanding liabilities. Moreover, the trade payables have maturity on demand/ Less than 1 year of Rs.11,14,84,399/- (P.Y. Rs.42,29,068/-.)

2.36 Capital Management

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves attributable to equity shareholders of the company. The primary objective of the company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value through efficient allocation of capital towards expansion of business, optimisation of working capital requirements and deployment of surplus funds into various investment options. As at 31st March 2020, the Company meets its capital requirement through equity and has low debts. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the company re-invests its profit into business, based on its long term financial plans. The management of the company reviews the capital structure of the Company on regular basis. As part of this review, the board considers the cost of capital and the risks associated with the movement in the working capital.

The capital structure of the company is as follows:

Particulars	As at 31-03-2020	As at 31-03-2019
Equity	15,00,50,000	3,00,50,000
Other equity	5,80,65,783	63,50,438
Total	20,81,15,783	3,64,00,438

(Amt. in Rupees)

2.37 Events occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the Balance Sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 30th June, 2020, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements

2.38 Figures of previous year's have been regrouped, wherever considered necessary to make comparable to current year's figures.

NOTES TO ACCOUNTS

Summary of significant accounting policies

The Accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

FOR, NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

FIRM REGN. NO. 106801W

(CA. GAURAV NAHTA)
PARTNER
MEM. NO. 116735

PLACE : AHMEDABAD

DATE : 30/06/2020

For and on behalf of the Board of Directors

AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

CHAMPALAL AGARWAL
DIN: 01716421
CHAIRMAN AND DIRECTOR

SUMIT AGARWAL
DIN: 00356863
MANAGING DIRECTOR

NIDHI AGRAWAL
DIN: 08364168
NON- EXECUTIVE DIRECTOR, COMPANY
SECRETARY & COMPLIANCE OFFICER

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

**ATTENDANCE SLIP
AARNAV FASHIONS LIMITED
CIN: L17100GJ1983PLC028990**

**Registered Office: 1, New Cloth Market, O/s Raipur Gate, Ahmedabad - 380002
Ph: 079-29702983, e-mail: aarnavfashions@gmail.com website: www.aarnavgroup.com**

Regd. Folio No./DP Id No.*/Client Id No.* (*Applicable for investor holding shares in electronic form.)	
No. of Shares held	
Name and Address of the First Shareholder (IN BLOCK LETTERS)	
Name of the Joint holder (if any)	

I/we hereby record my/our presence at the 37th Annual General Meeting of Aarnav Fashions Limited held on Tuesday, December 29, 2020 at 01:00 P.M. Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Notes: Please fill up this attendance slip and hand it over at the entrance of the venue of meeting. Members are requested to bring their copies of the Annual Report to the AGM.

AARNAV FASHIONS LIMITED
CIN: L17100GJ1983PLC028990

Registered Office: 1, New Cloth Market, O/s Raipur Gate, Ahmedabad - 380002
Ph: 079-29702983, e-mail: aarnavfashions@gmail.com website: www.aarnavgroup.com

PROXY FORM

(Form No. MGT-11 - Pursuant to section 105(6) of the Companies Act, 2013 Rules made thereunder)

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

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

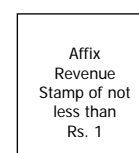
- Name: _____
 Address: _____
 E mail Id: _____ Signature: _____ or
 failing him
- Name: _____
 Address: _____
 E-mail Id: _____ Signature: _____ or
 failing him
- Name: _____
 Address: _____
 E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37thAnnual General Meeting and/or any adjournment thereof of Aarnav Fashions Limited held on Tuesday, December 29, 2020 at 01:00 P.M. Survey No. 302, Isanpur, Gopi Compound, Narol - Vatva Road, Narol, Ahmedabad-382405, Gujarat, India. and/or any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION NO.	RESOLUTION	VOTE (OPTIONAL SEE NOTE 2) (PLEASE MENTION NO. OF SHARES)		
		FOR	AGAINST	ABSTAIN
ORDINARY BUSINESSES				
1	TO RECEIVE, CONSIDER, APPROVE AND ADOPT THE AUDITED BALANCE SHEET AND STATEMENT OF PROFIT & LOSS OF THE COMPANY FOR THE YEAR ENDED ON 31 ST MARCH, 2020 TOGETHER WITH THE CASH FLOW STATEMENTS & NOTES TO THE ACCOUNTS AND REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON.			
2	TO DECLARE DIVIDEND ON EQUITY SHARES FOR THE FINANCIAL YEAR ENDED 31 ST MARCH, 2020.			
3	TO APPOINT A DIRECTOR IN PLACE OF MS. NIDHI SANJAYKUMAR AGRAWAL, DIRECTOR (DIN: 08364168), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HERSELF FOR RE-APPOINTMENT.			
SPECIAL BUSINESSES				
4	Approval of Related Party Transactions with Gopi Synthetics Private Limited pursuant to Section 188 (1) (a) of Companies Act, 2013.			

5	Approval of Related Party Transactions with Alpine Spinweave Private Limited pursuant to Section 188 (1) (a) of Companies Act, 2013			
6	Approval of Related Party Transactions with Aarnav Industries Private Limited pursuant to Section 188 (1) (a) of Companies Act, 2013.			
7	Approval of Related Party Transactions with Aarnav Industries Private Limited pursuant to Section 188 (1) (b) of Companies Act, 2013			
8	Approval of Related Party Transactions with Alpine Spinweave Private Limited pursuant to Section 188 (1) (b) of Companies Act, 2013.			
9	Approval of Related Party Transactions with Sumit Champalal Agarwal (Prop. Sachi Enterprise) pursuant to Section 188 (1) (b) of Companies Act, 2013.			
10	Approval of Related Party Transactions with Champalal Gopiram HUF (Prop. Suchita Textiles) pursuant to Section 188 (1) (b) of Companies Act, 2013.			
11	Approval of Related Party Transactions with Sumit Champalal HUF (Prop. Jash Industries) pursuant to Section 188 (1) (b) of Companies Act, 2013.			
12	Approval of Related Party Transactions with Pooja Sumit Agarwal (Prop. Pooja Enterprise) pursuant to Section 188 (1) (b) of Companies Act, 2013.			
13	Approval of Related Party Transactions with Champalal Gopiram Agarwal (Prop. Aarnav Industries) pursuant to Section 188 (1) (b) of Companies Act, 2013.			
14	Approval of Related Party Transactions with Satyabhama Champalal Agarwal (Prop. Aarnav Textiles) pursuant to Section 188 (1) (b) of Companies Act, 2013.			

Signed this.....day of.....2020



Signature of
shareholder

Signature of Proxy
holder(s)

Note:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting on or before December 27, 2020 at 01:00 P.M.)
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate



AARNAV FASHIONS LIMITED

CIN: L17100GJ1983PLC028990

**REGISTERED OFFICE: 1, NEW CLOTH MARKET, O/S RAIPUR GATE, RAIPUR, AHMEDABAD-
380002**