Aarnav
inspiring textiles

October 02, 2019

To,
The Department of Corporate Services,
Listing and Compliance
BSE Limited, 25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001.

BSE Code: 539562

Respected Sir,

SUB: REVISED ANNUAL REPORT FOR THE F.Y. 2018-19

Dear Sirs,

Pursuant to Regulation 34 (1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, please find attached herewith the Revised Annual Report for the Financial Year 2018-19. In the Annual Report due to printing mistake the name of Mr. Champalal Gopiram Agarwal was not printed in the report.

The said Revised Annual Report for FY 2018-19 is also available on the website of the Company at www.kayelsecurities.com .

Kindly take the same on your record and oblige.

Thanking You

Yours faithfully,

FOR AARNAV FASHIONS LIMITED
(FORMELY KNOWN AS KAYEL SECURITIES LIMITED)

AARNAV FASHIONS LIMITED AHMEDABAD

NIDHI AGGRAWAL
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS-51021

AARNAV FASHIONS LIMITED
(Formerly Known as Kayel Securities Limited)
CIN : L17100GJ1983PLC028990
Regd. Off:- 1, New Cloth Market, O/s. Raipur Gate,
Raipur, Ahmedabad – 380002 (India)
T : 079- 29702983, e: aarnavfashions@gmail.com

AARNAV FASHIONS LIMITED

(FORMELY KNOWN AS KAYEL SECURITIES LIMITED)

ANNUAL REPORT 2018-19

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inspiring textiles

AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)
CIN: L17100GJ1983PLC028990
REGISTERED OFFICE:
1, NEW CLOTH MARKET,
O/S RAIPUR GATE, RAIPUR,
AHMEDABAD, GUJARAT,
INDIA-380002

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Date and Time

Monday, 30th September, 2019 at 01:00 P.M.

Venue:

Registered Office: 1, New Cloth Market, O/S Raipur Gate, Raipur, Ahmedabad-380002

COMPANY INFORMATION

MR. CHAMPALAL GOPIRAM AGARWAL
DIN: 01716421
DIRECTOR & CHAIRMAN

MR. SUMIT CHAMPALAL AGARWAL
DIN: 00356863
MANAGING DIRECTOR

MR. MADHUR MURARI TODI
DIN: 02343422
INDEPENDENT DIRECTOR

MR. SAURABH VIJAY PATAWARI
DIN: 08364509
INDEPENDENT DIRECTOR

MR. KULDEEP ASHOKBHAI SHAH
DIN: 08365637
INDEPENDENT DIRECTOR

MS. NIDHI AGGRAWAL
DIN: 08364168
NON-EXECUTIVE DIRECTOR

CHIEF FINANCIAL OFFICER
MR. RADHAKISHAN LEKHARAM SHARMA
(PAN: ACOPS3496G)
(appointed as Chief Financial Officer w.e.f. April 19, 2019)

COMPANY SECRETARY
MS. NIDHI AGGRAWAL
ICSI Membership No.A51021

STATUTORY AUDITOR:
M/S. HITESH PRAKASH SHAH & CO
Chartered Accountants
FRN: 127614W
Resigned w.e.f. August 31, 2019)

STATUTORY AUDITOR:
M/S. NAHTA JAIN & ASSOCIATES
C hartered Accountants
FRN: 106801W
Appointed w.e.f. September 04, 2019)

REGISTRAR & SHARE TRANSFER AGENT
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
Website:www.kayelsecurities.com
Email: aarnavfashions@gmail.com

BANKERS
PUNJAB NATIONAL BANK
Vanijya Bhawan Branch,

SECRETARIAL AUDITOR:
RAVI KAPOOR & ASSOCIATES
Company Secretary in Practice

Ahmedabad.

FCS No: 2587
C P No: 2407

NOTICE

Notice is hereby given that the 36th Annual General Meeting of **AARNAV FASHIONS LIMITED[Formerly known as Kayel Securities Limited]** will be held on Monday, 30thday of September, 2019 at the registered office of the Company situated at 1, New Cloth Market, O/s Raipur Gate, Raipur, Ahmedabad - 380002 at 01.00 P.M. to transact the following business:

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, 2019 TOGETHER WITH THE CASH FLOW STATEMENTS & NOTES TO THE ACCOUNTS AND REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON.**

2. **TO APPOINT A DIRECTOR IN PLACE OF MR. CHAMPALAL GOPIRAM AGARWAL, DIRECTOR (DIN: 01716421), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.**

3. **APPOINTMENT OF STATUTORY AUDITOR:**
   To appoint Auditors of the Company and to fix their remuneration and if thought fit, to pass with or without modification, as an Ordinary Resolution:

   "RESOLVED THAT subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, consent of the Company be and is hereby given to appoint M/s. Nahta Jain & Associates, Chartered Accountants (FRN: 106801W), as the Statutory Auditor of the Company, in place of M/s. Hitesh Prakash Shah & Co., Chartered Accountants, (FRN: 127614W) who have resigned as Statutory Auditors of the Company w.e.f. August 31, 2019 to hold the office from the conclusion of 36th Annual General Meeting, for a single tenure of 5 (five) years, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

   "RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of the Directors of the Company and Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as it may in its absolute discretion deems necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in this said regard"

SPECIAL BUSINESS

4. **TO REGULARIZE MR. SUMIT CHAMPALAL AGARWAL AS DIRECTOR OF THE COMPANY**

   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 152, 161 and other applicable rules and provisions (including any modification and re-enactment thereof), if any, of the Companies Act, 2013, Mr. Sumit Champalal Agarwal (DIN: 00356863), who was appointed as an Additional Director with effect from January 08, 2019, on the Board of the Company and who holds office upto ensuing Annual General Meeting of the Company and in respect whom the Company has received a recommendation from Nomination and Remuneration Committee constituted under Section 178(1) of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

   "RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company and Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in this regard"

5. **TO APPROVE THE RELATED PARTY TRANSACTION**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section 188 and other applicable provisions if any, of the Companies Act, 2013, in terms of the Rule 15 of the Companies (Meetings of Board and its Powers) Rule 2014 and also Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other Regulations, Guidelines and Laws (including any statutory modifications or reenactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, which may be agreed to by the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board for entering into any contracts and / or arrangements with the following Parties for an amount not exceeding the limits as detailed below:"

SR. NO	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	TRANSACTION (AMOUNT IN RS.)	NATURE OF TRANSACTION
1.	Gopi Synthetics Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000	Availing/ Rendering of any services/ net Inter-corporate Lending/Borrowing/Trading
2.	Aarnav Industries Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000	Availing/ Rendering of any services/ net Inter-corporate Lending/Borrowing/Trading
3.	Alpine Spinweave Private Limited	Sumit Champalal Agarwal, Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company.	2,50,00,00,000	Availing/ Rendering of any services/ net Inter-corporate Lending/Borrowing/Trading
4.	Symbolic Finance And Investment Pvt Ltd	Mr. Sumit Champalal Agarwal being a common shareholder of the Company.	2,50,00,00,000	Availing/ Rendering of any services/ net Inter-corporate Lending/Borrowing/Trading
5.	Aarnav Fabrics Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000	Availing/ Rendering of any services/ net Inter-corporate Lending/Borrowing/Trading
6	Shyamaarnav Spinfab Private Limited	Sumit Champalal Agarwal, Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company.	2,50,00,00,000	Availing/ Rendering of any services/ net Inter-corporate Lending/Borrowing/Trading

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one of Directors of the Company and Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as it may in its absolute discretion deems necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in this said regard"

6. TO CREATE SECURITY ON THE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN FAVOR OF LENDERS:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

"**RESOLVED THAT**pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is

hereby accorded to the Board of Directors of the Company for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favor of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including VAT/ GST/ to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc."

"RESOLVED FURTHER THATthe securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of Directors of the Company and Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as it may in its absolute discretion deems necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in this said regard"

7. TO INCREASE THE BORROWING POWERS OF THE COMPANY

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **a SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company, be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies, which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers In the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors shall not at any time exceed the limit of Rs. 1000 Crores (Rupees One thousand Crores Only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of Directors of the Company and Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as it may in its absolute discretion deems necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in this said regard"

8 TO PROVIDE UNSECURED LOAN UNDER SECTION 185:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **a SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other rules, regulations, notifications and circulars issued (including any statutory modifications, clarifications, exemptions or re-enactments thereof, from time to time) and the relevant provisions of the Memorandum and Articles of Association of the Company, and in furtherance to the existing loans given if any, the consent of the Members be and is hereby accorded to grant net unsecured loans for an amount not exceeding Rs. 1500 crores below mentioned Private Limited on such terms and conditions as may be mutually agreed upon.

SR. NO	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	Net TRANSACTION (AMOUNT IN RS.)	NATURE OF TRANSACTION
1.	Gopi Synthetics Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000	FOR PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY
2.	Aarnav Industries Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000	
3.	Alpine Spinweave Private Limited	Sumit Champalal Agarwal, Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company.	2,50,00,00,000	
4.	Symbolic Finance And Investment Pvt Ltd	Mr. Sumit Champalal Agarwal being a common shareholder of the Company.	2,50,00,00,000	
5.	Aarnav Fabrics Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000	
6	SHYAMAARNAV SPINFAB PRIVATE LIMITED	Sumit Champalal Agarwal, Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company.	2,50,00,00,000	

RESOLVED FURTHER THATfor the purpose of giving effect to this resolution, any of Directors of the Company and Company Secretary be and is hereby authorized to decide from time to time, the terms and conditions including interest rate, execute necessary documents, papers, agreements, etc. for the aforesaid grant of loans to such companies and to do all such acts, deeds and things as may be required in order to give effect to this resolution."

9. 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 consider and, if thought fit, to pass with or without modification(s), the following resolution as **a SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of ` 1000 Crores (Rupees One Thousand Crores only) over and above the limit of 60% of the paid-up

share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any of Directors of the Company and Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as it may in its absolute discretion deems necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in this said regard"

10 TO APPROVE REMUNERATION OF MR. SUMIT CHAMPALAL AGARWAL, MANAGING DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **a SPECIAL RESOLUTION**:

"RESOLVED THATpursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendations of Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Sumit Champalal Agarwal (DIN: **00356863**), Managing Director of the Company during the period commencing on 1 April 2019 and ending on 30 September 2022, on the terms of his appointment and remuneration approved by the Members by means of passing of special resolution as set out in the Statement annexed hereto; which is within the remuneration structure and overall limits approved by them at the above AGM and which in any financial year(s) may exceed 5% of the net profits of the Company and in the event of inadequacy or absence of profits in any financial year during the above period(s), the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits."

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/or revise the remuneration of the said Managing Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

PLACE: AHMEDABAD
OF DATE: 04/09/2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

MR. CHAMPALAL GOPIRAM AGARWAL	**MR. SUMIT CHAMPALAL AGARWAL**
CHAIRMAN & DIRECTOR	**MANAGING DIRECTOR**
DIN: 01716421	**DIN: 00356863**

NOTES:

1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OFHIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50(Fifty) and holding in aggregate not more than 10 (Ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (Ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2) The instrument appointing proxy in order to be effective must be deposited at the Company's Registered Office not less than 48 (Forty-eight) hours before commencement of the ensuing Annual General Meeting of the Company.
3) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the aforesaid items of Ordinary / Special Business is enclosed herewith.
4) The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 21, 2019 to Sunday, September 29, 2019 (both days inclusive) for the purpose of the ensuing Annual General Meeting of the Company.
5) Corporate members intending to send their authorised representatives to attend the ensuing Annual General Meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
6) Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company's Registered Office at least 7 (Seven) days before the date of the ensuing Annual General Meeting so that the same can be suitably replied to.
7) Members / proxies / authorised representatives are requested to bring the duly filled attendance slip enclosed herewith to attend the meeting.
8) **Green Initiative – An Important Communication to Members**

   Ministry of Corporate Affairs has taken a green initiative by permitting companies to send various documents like notices, 36th annual reports including annual accounts etc. to its Members through electronic mode. Keeping in spirit with the said initiative, we request you to update your email ID with your respective DP's in case of shares held in electronic form and with Registrar & Share Transfer Agent - M/s **MCS Share Transfer Agent Limited** in case of shares held in physical form. Shareholders are requested to register their email ids with the company's Register and Transfer Agent by sending an email at mcssta@rediffmail.com or mcsahmd@gmail.com.

   Email is a better method to receive the communications quickly, with least cost implications and have longer shelf life. Company proposes to send all permitted communications electronically to the email id's of members unless specific request is received for a physical copy from member. Please act and contribute to preserve environment for our better future.

PLACE: AHMEDABAD
DATE: 04/09/2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421

MR. SUMIT CHAMPALAL AGARWAL
MANAGING DIRECTOR
DIN: 00356863

EXPLANATORY STATEMENT

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

ITEM NO. 3:

The Board of Directors at the Board Meeting held on September 04, 2019 appointed M/s Nahta Jain & Associates, Chartered Accountants, Ahmedabad, with firm registration number 106801W to fill the casual vacancy caused due to resignation of M/s Hitesh Prakash Shah & Co. As per the provisions of Companies Act, 2013 read with rules made thereunder a causal vacancy caused due to resignation of Statutory Auditor needs to be approved by the members in a general meeting within three months. Accordingly, the Board of Directors have recommended the appointment of M/s Nahta Jain & Associates, Chartered Accountants, Ahmedabad to the members of the company for their approval at the Annual General Meeting by way of passing an ordinary resolution to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 41st Annual General Meeting. M/s Nahta Jain & Associates, Chartered Accountants, Ahmedabad, for a single tenure of 5 (five) years, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company. The Auditor have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Act. Your Directors recommend the resolution for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed item no. 3.

ITEM NO. 4

The Board of Directors of the Company at its Meeting held on January 08, 2019 has appointed Mr. Sumit Champalal Agarwal as an Additional Director of the Company in terms of provisions of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013 Mr. Sumit Champalal Agarwal can hold office upto the date of ensuing Annual General Meeting. Consent to act as a Director as well as disclosure for non-disqualification as required under the Companies Act, 2013 have already been received from Mr. Sumit Champalal Agarwal.

The Board recommends the Ordinary Resolution as set out at item No. 4 for the approval of the Shareholders.

ITEM NO. 5

It is informed to the members that Board of Directors of the Company has proposed to provide inter corporate loans to some entities in which directors of the Company are interested. As per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, ("SEBI LODR") transactions of providing inter corporate loans to the entities in which director's are interested are treated as related party transactions.

As per regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, ("SEBI LODR") such related party transactions shall require approval of the shareholders through ordinary resolution.

Accordingly, on recommendation of Audit Committee and Meeting of the Board of Directors held on Wednesday, 04th September, 2019 approved related party transactions and now seek approval of the shareholders by way of Ordinary Resolution under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015 to enable the Company to enter into following related Party Transactions in one or more tranches. The transactions under consideration, is proposed to be entered into by the Company is in the ordinary course of business and at arm length basis.

Particulars of contract(s)/arrangement(s) with Companies are mentioned as under.

1	Name of the related parties	Gopi Synthetics Private Limited Aarnav Industries Private Limited Alpine Spinweave Private Limited

		Symbolic Finance And Investment Pvt Ltd Aarnav Fabrics Private Limited Shyamaarnav Spinfab Private Limited
2	Name of the director or key managerial personnel who are related	Mr. Champalal Gopiram Agarwal Mr. Sumit Champalal Agarwal
3	Nature of relationship	Mr. Champalal Gopiram Agarwal, Chairman 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 arrangements;	Availing/ Rendering of any services/ Inter-corporate Lending/Borrowing/Trading depending upon the requirement of the Company for its products from time to time and ability of supply of specified material by these companies However, such transactions would at all times be on arm's length's basis and in the ordinary course of the Company's business.
5	Monetary value	Not Exceeding Rs. 250 Crores for each Gopi Synthetics Private Limited, Aarnav Industries Private Limited, Alpine Spinweave Private Limited, Symbolic Finance And Investment Pvt Ltd, Aarnav Fabrics Private Limited, Shyamaarnav Spinfab Private Limited
6	Any advance paid or received for the arrangement, If any.	As per industry norms, custom and uses.

Members may please note that based on the criteria as mentioned above in the SEBI LODR, transactions with such related parties as mentioned in Item No. 5 requires approval of the Company by Ordinary Resolution.

Memorandum of Interest:

None of the Directors except Mr. Champalal Gopiram Agarwal and Mr. Sumit Chamaplal Agarwal and their relatives are concerned or interested in the resolution as set out at No.5 of the Notice. However none of the Key Managerial Personnel, or their relatives are, in any way, are concerned or interested in this resolution.

Also note that as per Regulation 23 of SEBI LODR Regulations, all related parties are abstained from voting in the resolution set out at item no. 5 of this notice.

The Board recommends the Ordinary Resolution as set out at item No. 5 for the approval of the Shareholders.

ITEM NO. 6

To meet the capital expenditure and working capital requirement of current projects, for expansion of projects and for future projects/planning it is necessary to enhance the present borrowing limits of the Company upto Rs. 1000 Crores (Rupees one thousand Crores only).

Further the enhancement in the Borrowings of the Company upto 1000 Crores (Rupees one thousand Crores only) may, if necessary be secured by way of Charge in favour of all or any of the financial institutions/ banks/lenders/any other investing agencies and trustees for the holders of debentures/ bonds/other financial instruments, which may be issued to and subscribed by all or any of the financial institutions/ banks/lenders/other investing agencies or any other person (s)/ bodies corporate by private placement or otherwise.

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of public Company cannot, except with the consent of the Company in General Meeting, create charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non-convertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments),

issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred VAT, GST / other purpose as decided and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.

The Members approval is therefore being sought pursuant to section 180(1)(a) of the Act for creation of security on the properties of the company, both present and future, in favour of lenders, government department etc.

The Board of Directors of your Company accordingly recommends the above resolution for the approval of members of the Company as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested financially or otherwise in the resolution except to the extent of their shareholding, if any. The proposed resolution does not relate to or affect any other Company.

ITEM NO. 7

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company cannot, except with the consent of the Company in general meeting, borrow monies, (apart from temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose.

To meet the capital expenditure for expansion of projects and working capital requirement of current projects and for future projects/planning, it is necessary to enhance the present borrowing limit, the Members' approval is therefore being sought pursuant to section 180(1)(c) of the Act to increase the borrowing limit to Rs. 1000 Crores (Rupees one thousand Crores only).

The Board of Directors of your Company accordingly recommends the above resolution for the approval of members of the Company as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested financially or otherwise in the resolution except to the extent of their shareholding, if any. The proposed resolution does not relate to or affect any other Company.

ITEM NO. 8

In pursuance to the provisions of Section 185 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017 it is proposed to give net unsecured loan to Companies as mentioned below not exceeding Rs. 1500 crores in aggregate on such terms and conditions as may be mutually agreed upon and the said approval was granted by the Board of Directors of the Company in its meeting held on September 04, 2019.

Full particulars of details of unsecured loan is mentioned as below:

SR. NO	NAME OF RELATED PARTY	NATURE OF RELATIONSHIP	NET TRANSACTION (AMOUNT IN RS.)
1.	Gopi Synthetics Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000

2.	Aarnav Industries Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000
3.	Alpine Spinweave Private Limited	Sumit Champalal Agarwal, Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company.	2,50,00,00,000
4.	Symbolic Finance And Investment Pvt Ltd	Mr. Sumit Champalal Agarwal being a common shareholder of the Company.	2,50,00,00,000
5.	Aarnav Fabrics Private Limited	Mr. Champalal Gopiram Agarwal, Chairman of the Company and Mr. Sumit Champalal Agarwal Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company	2,50,00,00,000
6	Shyamaarnav Spinfab Private Limited	Sumit Champalal Agarwal, Managing Director of the Company being common Director(s)/ Shareholder(s) of the Company.	2,50,00,00,000

3. Other relevant facts:

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits.

The loan granted by the Company will be utilized by it for its principal business activities only.

In order to give unsecured loan to above mentioned Companies approval of members is sought by passing special resolution. The Board recommends the resolution set out at Item no. 09 of notice of AGM to be passed as a special resolution by the members.

ITEM No. 9

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for enhancing the said limits. Hence, the Special Resolution at Item No.6 of the Notice, notwithstanding the fact that the same exceeds the limits provided under Section 186 of the Act.

The Directors recommend the Special Resolution as set out at Item No. 6 of the accompanying Notice, for Members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

ITEM NO 10

Mr. Sumit Champalal Agarwal, aged 46 years is presently designated as Managing Director of the Company. He is a Master's in Business Administration. He has been affiliated with the Company as a member of the Board of Directors from January 08,

2019. He is having experience of around 21 years and shouldered higher assignments. In view of his enriched experience, appreciable contribution and enlarged leadership the company will see new heights soon.

During the financial yea r 2018-19, 12 (seven) meetings of the Board of Directors had been held out of which 7 (seven) and all the meetings were attended by Mr. Sumit Champalal Agarwal.

As on 31 March, 2019, he holds 8,41,372 (28%) equity shares in the Company. Later on he was allotted 12,00,000 equity shares through preferential issue. As on date he holds 20,41,372 shares (13.60%) equity shares in the Company.

Basic Salary: Any amount per month with authority to Chairperson (hereinafter referred to as "the Authority") to revise the Basic Salary from time to time, subject however to a ceiling of Rs.4,00,000/- per month.

Bonus: 1 Month's Salary

Other allowances, benefits, perquisites and variable pay Aggregate of – (i) any other allowances, benefits & perquisites admissible to senior officers of the Company as per Rules of the Company from time to time;

The Board of Directors of the Company in its meeting held on September 04, 2019 approved the payment of remuneration to Sumit Champalal Agarwal, Managing Director for the period of 3 (Three) years w.e.f. 01, April, 2019 as recommended by the Nomination and Remuneration Committee in its meeting held on September 04, 2019 in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013, at the terms and conditions as set out below:

Therefore, the Board of Directors of your Company recommends the passing of Special Resolution as set out at Item No. 10 of the Notice. Except Mr. Sumit Champalal Agarwal, himself and his father Mr. Champalal Agarwal, Director of the Company, no other Director or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the passing of the above resolution as set out in Item No. 10 of the notice.

IN TERMS OF SCHEDULE V TO THE COMPANIES ACT, 2013, THE RELEVANT DETAILS ARE AS UNDER:

I. General Information:

1. Nature of Industry: Finance, Textile

2. Date or expected date of commencement of commercial production: The Company was incorporated on February 26, 1983 and its operating activities commenced thereafter.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

4. Financial Performance based on given indicators:

PARTICULARS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018	RS. IN LAKHS
Net Sales and Other Income	158.02
Operating Profit (Before Interest, Depreciation and Tax) (PBIDT)	24.66
Profit Before Depreciation & Tax (PBDT)	24.66
Profit Before Tax (PBT)	24.66
Profit After Tax (PAT)	18.09

5. Foreign investments or collaborations, if any: Not Applicable

II. Information about the Appointees:

(1) Background details:

Mr. Sumit Champalal Agarwal had been appointed as the Managing Director of the Company for a period of 5 (Five) years w.e.f. March 16, 2019. He is having experience of around 21 years and shouldered higher assignments. In view of his enriched experience, appreciable contribution and enlarged leadership the company will see new heights soon.

(2) Past Remuneration: NIL.

(3) Recognition or awards: Not Applicable.

(4) Job Profile and their suitability:

Mr. Sumit Champalal Agarwal, Managing Director of the Company is entrusted with substantial powers of management of the affairs of the Company under the superintendence, control and direction of the Board of Directors. He has a very good and rich experience of managing cement business and looks after planning, coordination and control of production, sales & developmental activities and overall operations of the Company. He has been instrumental in shaping the culture of the Company

(5) Remuneration proposed: Salary, other perquisites and other terms as fully set out in the explanatory statement of Item No 10 .

(6) Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person: The executive remuneration in the Industry has increased manifold. The Nomination and Remuneration Committee of Directors of the Company constituted by the Board in terms of the Act and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of aforesaid Managerial Personnel and other relevant factors while determining their remuneration.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Champalal Agarwal is father of Mr. Sumit Agarwal except this there is no other pecuniary relationship directly or indirectly with the company or relationship with managerial personnel.

III. Other Information:

(1) Reasons of loss or inadequate profits: Due to adverse market conditions there is inadequate profit.

(2) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms: The Company is continuously making efforts to increase productivity which will result in improvement of profit.

(7) The Company has not made any default in repayment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

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	MR. SUMIT CHAMPALAL AGARWAL	MR. CHAMPALAL GOPIRAM AGARWAL
DIN	00356863	01716421
Date of Birth	10/06/1974	15-07-1951
Age	46	69
Experience	21 years	45 years
Date of Appointment/Re-appointment	January 08, 2019	January 08, 2019

Terms and conditions of appointment	Appointed as M.D. for the term of 5 years not liable to retire by rotation	Appointed as Chairman and Director, liable to retire by rotation.
Remuneration paid	-	-
Qualification	B.Com, M.Com. M.B.A	B.Com
Designation	Managing Director	Chairman, Director
Expertise in Specific Functional Areas	Marketing, Finance and Planning	45 years in the business of textiles
Disclosure of relationships between directors inter-se	Mr. Champalal Gopiram Agarwal is father of Mr. Sumit Champalal Agarwal.	
Names of listed entities in which person holds Directorship and the membership of the committees of the Board	-	-
Chairman/ Director of other Company	8	8
Chairman/Member of committees of Board of Company of which he/she is a Director	-	-
Number of shares held in the Company	2041372	2041373
No. of Meetings of the Board attended during the year	7	7

ANNEXURES TO THE NOTICE

1. **Instructions to the members for voting through electronic means from place other than venue of Annual General Meeting:**

A. **Instructions to the members for voting through electronic means**

I. The voting period begins on Friday, September 27, 2019 at 9:00 A.M. and ends on Sunday, September 29, 2019 at 05:00 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 Friday, September 20, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

II. The shareholders should log on to the e-voting website www.evotingindia.com.

III. Click on Shareholders.

IV. 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

V. Next enter the Image Verification as displayed and Click on Login.

VI. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

VII. If you are a first time user follow the steps given below:

FOR MEMBERS 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) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip 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. 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 (iv).

VIII. After entering these details appropriately, click on "SUBMIT" tab.

IX. Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

XI. Click on the EVSN for the relevant <AARNAV FASHIONS LIMITED Formerly known as Kayel Securities Limited > on which you choose to vote.

XII. 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.

XIII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

XIV. 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.

XV. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

XVI. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

XVII. 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.

XVIII. Shareholders can also use Mobile app - "m - Voting" for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

XIX. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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, 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.

XX. In case you have any queries or issues regarding e-voting, 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.

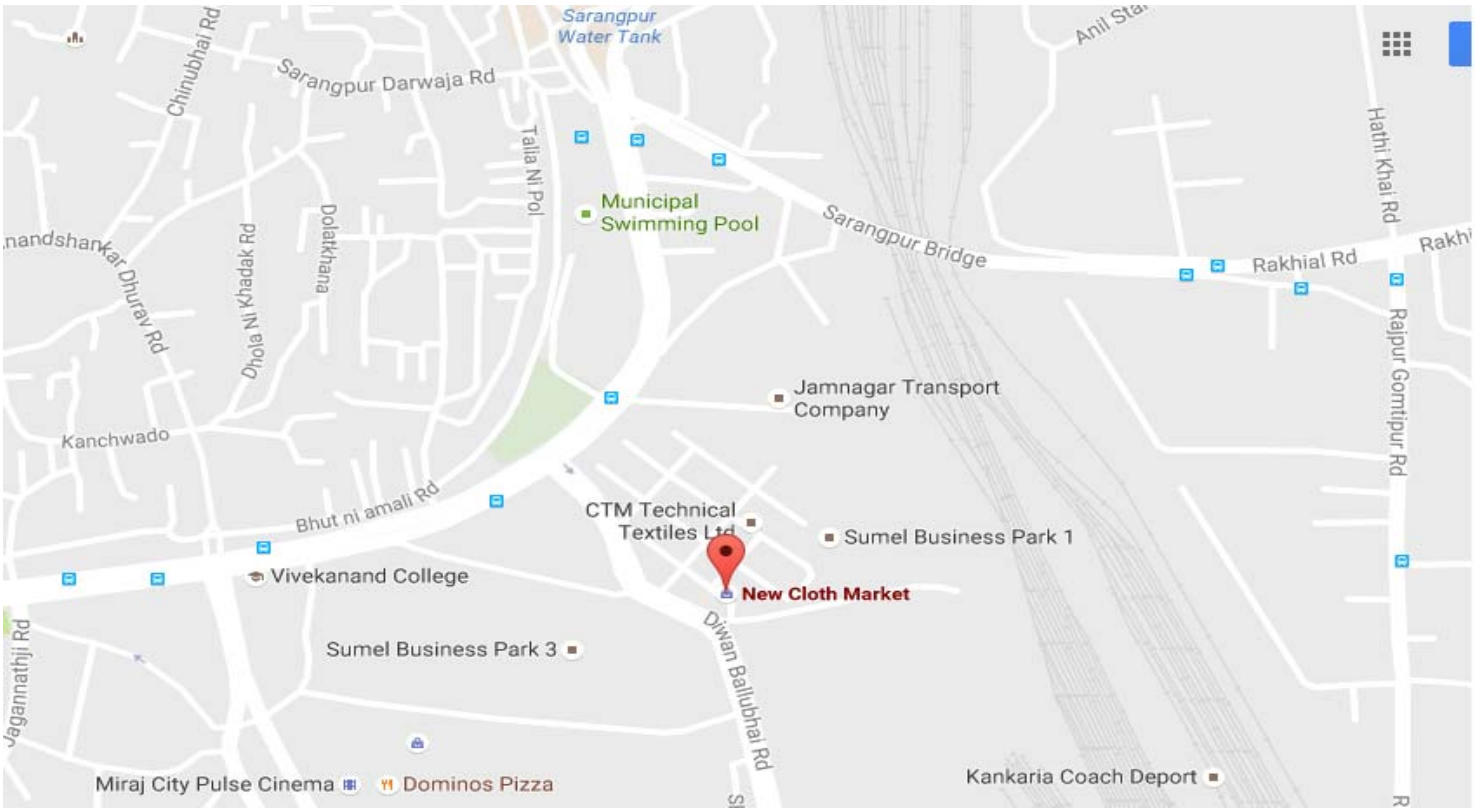
Specific Attention of the Members is drawn to the followings:

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 BSPL.
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 Satellite Corporate Services Private 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.

2. Route Map to the Venue of AGM:



Address of Registered office

1, New Cloth Market,
O/S Raipur Gate
Raipur,
Ahmedabad - 380002

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, 2019.

1. FINANCIAL RESULTS:

(Amount in Rs)

PARTICULARS	2018-19	2017-18
Revenue from Operations	**15,802,009**	**6,522,373**
Other Income	-	-
Total Income	**15,802,009**	**6,522,373**
Profit/(Loss) before Depreciation, Finance Costs, Exceptional items and Tax Expense	**2,591,398**	**1,768,455**
Less: Depreciation /Amortisation/Impairment	-	-
Profit/(Loss) before Finance Costs, Exceptional items and Tax Expense	**2,591,398**	**1,768,455**
Less: Finance Costs	**125,176**	**137,226**
Profit/(Loss) Exceptional items and Tax Expense	**2,466,222**	**1,631,229**
Add/(Less): Exceptional items	-	-
Profit/(Loss) before Tax	**2,466,222**	**1,631,229**
Provision for Taxation - Current Tax	**532,364**	**312,233**
Deferred Tax	**107,013**	**155,398**
Excess provision for Tax expense for earlier years	-	-
Profit for the year	**1,809,124**	**1,163,598**
Total Comprehensive Income/Loss (2)	**1,809,124**	**1,163,598**

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

During the year there were new developments 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. 158.02 Lakh as against the total income of Rs. 65.22 Lakh of previous year. The total income of the company was up by 142% over previous year. Further, Profit before Tax in the financial year 2018-19 stood at Rs 24.66 Lakh as compared to Rs 16.31 Lakh of last year and Net Profit after Tax stood at Rs 18.09 Lakh compared to profit of Rs. 11.63 Lakhs for previous year. The Profit before tax and Net profit After Tax was increased by 51% and 55% respectively over previous year.

3. DIVIDEND:

With a view to conserve and save the resources for future prospect of the company, your directors do not recommend any dividend for the financial year 2018-19 (Previous year Nil)

4. RESERVES:

Your Directors do not propose transfer of any amount to the General Reserves. Full amount of net profit are carried to reserve& Surplus account of the Company

5. CHANGE IN NATURE OF BUSINESS:

During the year under review Company has not changed the Nature of Business.

6. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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	TOTAL DIRECTORSHIP**	^NO. OF COMMITTEE		NO. OF SHARES HELD AS ON MARCH 31, 2019
				in which Director is Members	in which Director is Chairman	
CHAMPALAL GOPIRAM AGARWAL	Chairman and Director	08/01/2019	8	0	0	841373
SUMIT CHAMPALAL AGARWAL	Managing Director	08/01/2019	8	0	0	841372
NIDHI SANJAYKUMAR AGGRAWAL	Non-Executive Director	21/02/2019	1	0	0	0
SOURABH VIJAY PATAWARI	Additional Independent Director	21/02/2019	2	3	1	0
KULDEEP ASHOKBHAI SHAH	Additional Independent Director	21/02/2019	1	3	1	0
MADHUR MURARI TODI	Additional Independent Director	16/03/2019	2	3	1	0
^ Committee includes Audit Committee and Shareholders' Grievances Committee, Nomination and Remuneration Committee across all Public Companies.						
**** Excluding Section 8 Company & Limited Liabilities Partnership**						

Pursuant to the provisions of Section 152 (6) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) Mr. Champalal Gopiram Agarwal (DIN: 01716421) Chairman and Additional Director, and Ms. Nidhi Sanjaykumar Aggrawal (DIN: 08364168) of the Company is liable to retire by rotation at the ensuing AGM.

During the year under review, Mr. Sumit Champalal Agarwal (DIN: 00356863) and Mr. Champalal Gopiram Agarwal (DIN: 01716421) were appointed as an Additional Director w.e.f. 8th January, 2019. Ms. Nidhi Sanjaykumar Aggrawal (DIN: 08364168) was appointed as an Additional Director w.e.f. 21st February, 2019.

Mr. Rakeshkumar Loonchand Kankariya (DIN: 00314234) has resigned from director and CFO w.e.f. 8th January, 2019.

Mr. Rahulkumar Kantilal Kankariya (DIN: 00294747) was resigned from the post of Managing Director w.e.f. 21st February, 2019.

During the financial year Mr.NAVARAM RABARI CHELARAM and Ms. NAMRATA NARESHKUMAR JAIN resigned from the post of Independent director on February 21, 2019 and Mr. MUKESH MOHANLAL CHHAJED resigned from the post of Independent director on March 16, 2019.

MR. SOURABH PATAWARI and MR. KULDEEP SHAH were appointed as Additional Independent Director on February 21, 2019 and MR. MADHUR MURARI TODI was appointed as Additional Independent Director on March 16, 2019.

The composition of Board complies with the requirements of the Companies Act, 2013. Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from requirement of having composition of Board as per Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

7. 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.

The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act. Further, the Board of Directors has not passed any resolution through circulation.

During the year under review, Board of Directors of the Company met 12 (Twelve) times on May 29, 2018, July 31, 2018, August 13, 2018, August 29, 2018, November 11, 2018, January 08, 2019, January 16, 2019, January 25, 2019, February 06, 2019, February 21, 2019, March 16, 2019 and March 28, 2019.

8. INDEPENDENT DIRECTORS:

In terms of Section 149 of the Companies Act, 2013 ("The Act") and rules made there under, the Company has 3 Additional Independent Director in line with the act. Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board. During the financial year **Mr.NAVARAM RABARI CHELARAM and Ms. NAMRATA NARESHKUMAR JAIN** resigned from the post of Independent director on February 21, 2019 and **Mr. MUKESH MOHANLAL CHHAJED** resigned from the post of Independent director on March 16, 2019.

MR. SOURABH PATAWARI and MR. KULDEEP SHAH were appointed as Additional Independent Director on February 21, 2019 and MR. MADHUR MURARI TODI was appointed as Additional Independent Director on March 16, 2019.

The terms and conditions of appointment of Independent Directors and Code for Independent Director are incorporated on the website of the Company. The weblink for the same is www.kayelsecurities.com.

The Company has received 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.

9. INFORMATION ON DIRECTORATE:

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Mr. Champalal Gopiram Agarwal (DIN: 01716421)Chairman and Additional Director of the Company retires by rotation at the ensuing annual general meeting and offers himself for reappointment.

None of the Director of the Company is serving as a Whole-Time Director in any Listed Company and is holding position of whole time Director in more than 3 Listed Company and none of the Director of the Company is holding position as Independent Director in more than 7 Listed Company. None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

10. KEY MANAGERIAL PERSONNEL:

MS. MALVIKA KAPASI who was serving as Company Secretary of the Company resigned on July 31, 2018.

There is achange in management**MR. RAKESHKUMAR LOONCHAND KANKARIYA** resigned as Director and C.F.O. with effect from 8th January, 2019, Mr. Rahul Kankariya has resigned as Managing Director w.e.f 21st February,2019 and **MR. CHAMPALAL GOPIRAM AGARWAL(DIN: 01716421) was appointed as Chairman and** Additional Director on January 08, 2019and **MR. SUMIT CHAMPALAL AGARWAL** were appointed as Additional Director (DIN: 00356863) on January 08, 2019. Further due to change in designation **MR. SUMIT CHAMPALAL AGARWAL (DIN: 00356863) was appointed as Managing director on March 16, 2019.**

MS. NIDHI AGGRAWAL is serving as the Company Secretary and Compliance officer of the Company w.e.f. January 25, 2019.

Furthermore **MS. NIDHI AGGRAWAL** was appointed as Additional Non-Executive Director on February 21, 2019,

11. PERFORMANCE EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act.

The performance of the board was evaluated by the board, after seeking inputs from all the directors, on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

Separate meeting of independent directors was held to evaluate the performance of non-independent directors, performance of the board as a whole and performance of the chairman, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

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. COMMITTEE OF BOARD

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder.

A. **Audit Committee:-**

The current audit committeeof the Company comprises of 3 members and all the members are Independent Directors. Mr. Kuldeep Shah, Non-Executive Independent Director has been appointed as a Member and Chairman of the Committee w.e.f. February 21, 2019. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management

At the beginning of the Financial Year 2018-19, Audit Committee consisted of the following members:

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/MEMBER
1	Mr. Mukesh Chajjed	Chairman
2	Mr. Navaram Rabari	Member
3	Mr. Rakeshkumar Kankariya	Member

The committee was reconstituted on 21.02.2019

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/MEMBER
1	Mr. Kuldeep Shah	Chairman
2	Mr. Saurabh Patwari	Member
3	Me. Mukesh Chajjed	Member

Committee was again re-constituted due to resignation of Mr. Mukesh Chajjed from Directorship and appointment of Mr. Madhur Murari Todi as an Additional (Independent) Director on Board of Company w.e.f. March 16, 2019.

The Committee was reconstituted as follows:-

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/MEMBER
1	Mr. Kuldeep Shah	Chairman
2	Mr. Saurabh Patwari	Member
3	Mr. Madhur Murari Todi	Member

The Statutory Auditors of the Company are invited in the meeting of the Committee whenever required. Chief Financial Officer of the Company is a regular invitee at the Meeting. The Company Secretary of the Company acted as secretary to the Committee.

Recommendations of Audit Committee have been accepted by the Board wherever/whenever given.

B. Stakeholder's Grievance & Relationship Committee:

The Stakeholders' Relationship Committee has 3 Members comprising of all Non-Executive Independent Director.The Board of Directors of the Company has constituted Stakeholders Relationship Committee in order to mainly focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc.

At the beginning of the Financial Year 2018-19, the Stakeholder's Grievance & Relationship Committee consisted of the following members:

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/ MEMBER
1	Mukesh Chhajed	Chairman
2	Navaram Rabari	Member
3	Rakeshkumar Kankariya	Member

The committee was reconstituted on 21.02.2019 as follows:-

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/ MEMBER
1	Mr. Kuldeep Shah	Chairman
2	Mr. Saurabh Patwari	Member
3	Me. Mukesh Chajjed	Member

Committee was again re-constituted due to resignation of Mr. Mukesh Chajjed from Directorship and appointment of Mr. Madhur Murari Todi as an Additional (Independent) Director on Board of Company w.e.f. March 16, 2019.

The Committee was reconstituted on **March 16, 2019** as follows:-

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/MEMBER
1	Mr. Saurabh Patwari	Chairman
2	Mr. Kuldeep Shah	Member
3	Mr. Mukesh Chhajed	Member

Complaint

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2019.

C. **Nomination and Remuneration Committee:**

The current Nomination and Remuneration Committee of the Company comprises of 3 Directors all of whom are Non-Executive Independent Directors. Mr. Madhur Murari todi acts as a Chairman of the Committee.

At the beginning of the Financial Year 2018-19, the Nomination and Remuneration Committee consisted of the following members:

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/ MEMBER
1	Mukesh Chhajed	Chairman
2	Navaram Rabari	Member
3	Rakeshkumar Kankariya	Member

The committee was reconstituted on 21.02.2019

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/ MEMBER
1	Mr. Saurabh Patwari	Chairman
2	Mr. Kuldeep Shah	Member
3	Mr. Mukesh Chhajed	Member

Committee was again re-constituted due to resignation of Mr. Mukesh Chajjed from Directorship and appointment of Mr. Madhur Murari Todi as an Additional (Independent) Director on Board of Company w.e.f. March 16, 2019.

The Committee was reconstituted as follows:-

SL. NO.	NAME OF THE MEMBER	CHAIRMAN/MEMBER
1	Mr. Madhur Murari Todi	Chairman
2	Mr. Saurabh Patwari	Member
3	Mr. Kuldeep Shah	Member

14. 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

15. 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

16. RELATED PARTY TRANSACTIONS:

During the year ended 31st March, 2019, Company has not entered into any contracts and/or arrangements with related parties covered under section 188 of the Companies Act, 2013.

17. 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"**.

AUDITORS

A. STATUTORY AUDITORS:

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Hitesh Prakash Shah & Co., Chartered Accountant (Firm Registration No: 127614W) were appointed as a Statutory Auditor of the Company, for a term of 5 (five) consecutive years from the conclusion of 34th Annual General Meeting i.e. held on 29th September, 2017 till conclusion of the Annual General Meeting for the Financial Year 2021-22 by the Board Of Director of the company approved of shareholder at this Annual General Meeting.

B. 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 2018-19.

The Secretarial Audit Report for the financial year ended 31st March 2019, 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. DISCLOSURE OF REMUNERATION:

The ratio of the remuneration of each whole-time director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **"Annexure – C"**. *Refer to tables 3A(a) in **"Annexure – C"**.*

*Additionally, the following details form part of **"Annexure – C"** to this Report:*

- Statement containing the names of top 10 employees in terms of remuneration drawn. (Refer to table 3B(a)).

- Details of employees posted in India throughout the fiscal and in receipt of a remuneration of ` 1.02 crore or more per annum. - Not Applicable since the Company has no such employee.
- Details of employees posted in India for part of the year and in receipt of ` 8.5 lakh or more a month. - Not Applicable since the Company has no such employee.
- 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. (Refer to table 3B(b)).
- The details of employees posted outside India and in receipt of a remuneration of ` 60 lakh or more per annum or ` 5 lakh or more per month – Not Applicable since the Company has no such employee.

19. 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

20. CORPORATE GOVERNANCE:

Your Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report under relevant heading.

21. STATUTORY COMPLIANCES

To the best of our knowledge your company has complied with all the rules and regulations which are stipulated on corporate sector from time to time by various statutory Authorities.

22. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments affecting the financial position of the Company which have occurred at the end of the financial year of the Company to which the financial statements relate.

23. 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.

24. CODE FOR PROHIBITION OF INSIDER TRADING:

During the year, the Company has amended the Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and also formulated Policy on procedures to be followed while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The amended codes viz. "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

25. REMUNERATION POLICY:

The company's policy relating to appointment of directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure D** and is attached to this report.

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report attached as Annexure E.

27. QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS:

There was no qualifications, reservations or adverse remarks made by the either by the Statutory Auditors or by the Secretarial Auditors in their respective reports.

28. 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.

29. 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

30. CHANGE IN MANAGEMENT DUE TO TAKEOVER

During the Financial Year an Open Offer ("Offer") for acquisition of up to 7,81,300 (Seven Lakh Eighty One Thousand Three Hundred Only) fully Paid Up Equity Shares of Rs. 10/- each representing 26.00% of the total Issued, Subscribed, Paid Up and Voting Equity Share Capital of Kayel Securities Limited from the Shareholders of KSL by Mr. Champalal Gopiram Agarwal (Acquirer 1) and Mr. Sumit Champalal Agarwal (Acquirer 2) (hereinafter referred to as "Acquirers") pursuant to and in compliance with Regulation 3(1) and 4 of Securities and Exchange Board of India (Substantial

Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations, 2011" or "SEBI (SAST) Regulations" or "the Regulations")

The Acquirers had entered into Share Purchase Agreement ("SPA") with the Promoters (hereinafter collectively referred to "Sellers") on September 21, 2018 for acquisition of 16,82,745 Equity Shares ("Sale Shares") of Rs.10 each representing 56% of total Issued, Subscribed, Paid Up and Voting Equity Share Capital of the Target Company at a Price of Rs. 12.50 (Rupees Twelve and Fifty Paise Only) per Equity Share aggregating to Rs. 2,10,34,312.50 (Rupees Two Crore Ten Lakhs Thirty Four Thousand Three Hundred Twelve and Fifty Paise Only), subject to the terms and conditions as mentioned in the SPA. The consideration for the Sale Shares shall be paid in cash by the Acquirers. The acquisition resulted in the change in control and management of the Target Company.

Takeover was completed on January 08, 2019.

31. CHANGE IN NAME OF COMPANY

The Board believed that the present name of the Company does not reflect or align with the Company's core business. The Board of Directors of the Company in its meeting held on March 28, 2019 decided to change the name of the Company from **"KAYEL SECURITIES LIMITED**" to "**AARNAV FASHIONS LIMITED**" because the Directors believe that the change in the name of the Company which is being undertaken as part of corporate rebranding would make the name of the Company simple, sharp and focused.

The name **"AARNAV FASHIONS LIMITED**" has been duly approved and made available for changing the name by the Central Registration Centre vide its name approval letter dated April 10, 2019 which is valid for 60 days.

Prior approval for change of name from BSE was received on May 27, 2019.

Company received the New Incorporation certificate Pursuant to change of name from Registrar of Companies Gujarat to change its name from "**KAYEL SECURITIES LIMITED"** to "**AARNAV FASHIONS LIMITED"** on July 26, 2019.

Company has applied to BSE for final name change approval the same is awaited from BSE.

32. SIGNIFICANT AND MATERIAL ORDERS

There are no material orders passed by Regulators, Courts or Tribunals impacting the going concern status and company's operations in future.

33. 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

34. 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.

35. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

As the Company is not having ten women employees employed during the year therefore the provisions regarding establishment of Internal Complaint Committee under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company.

36. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

During the financial year 2018-19 under review, there were no cases filed to the company pursuant to the Sexual Harassment of Woman at Work place (Prevention, Prohibition and Redressal) Act, 2013.

37. COMPLIANCE WITH SECRETARIAL STANDARDS:

Your Company has complied with the all applicable Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).

38. MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013 AND STATUS OF THE SAME:

The provisions regarding maintenance of cost records as specified by the Central Government under Sub Section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.

39. FRAUDS REPORTED BY AUDITORS:

During the Year under review, no frauds were reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee/ Board.

40. 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: 14/08/2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

MR. CHAMPALAL GOPIRAM AGARWAL	**MR. SUMIT CHAMPALAL AGARWAL**
CHAIRMAN & DIRECTOR	**MANAGING DIRECTOR**
DIN: 01716421	**DIN: 00356863**

Annexure-A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2019

Of

AARNAV FASHIONS LIMITED

(Formerly Known as KAYEL SECURITIES 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 [Pl. tick]	Public Company √ Private Company
	Sub Category of the Company [Please tick whichever are applicable]	

1.	Government Company	
2.	Small Company	
3.	One Person Company	
4.	Subsidiary of Foreign Company	
5.	NBFC	
6.	Guarantee Company	
7.	Limited by shares	√
8.	Unlimited Company	
9.	Company having share capital	
10.	Company not having share capital	
11.	Company Registered under Sec. 8	

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.kayelsecurities.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	Yes

	Exchange(s) If yes, details of stock exchanges where shares are listed	SN: 1 Stock Exchange Name: BSE Limited Code: 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

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	15.41
2	Trading in Textiles	46411 Wholesale of textiles, fabrics, yarn, household linen, articles of clothing, floor coverings and tapestry, sports clothes	84.59

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	1682745	0	1682745	56	0
b) Central Govt	-	-	-	-	-	-	-	-	-

c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI									
f) Any other									
Sub-total(A)(1):-	1682745	0	1682745	56	1682745	0	1682745	56	0
(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	1682745	0	1682745	56	0
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) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)(Trusts)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									

i) Indian	450000	-	450000	14.98	-	-	-	-	-14.97
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	655	61600	62255	2.07	21855	40400	62255	2.07	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	660000	-	660000	21.96	1110000	-	1110000	36.94	14.97
c)Others (HUF*)	150000	0	150000	4.99	150000	0	150000	4.99	-
Sub-total (B)(2):-	1260000	61600	1322255	44	1281855	40400	1322255	44	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	1260000	61600	1322255	44	1281855	40400	1322255	44	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2943400	61600	3005000	100	2964600	40400	3005000	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	-	28
2	Sumit Champalal Agarwal				841372	28	-	28
3	Kankariya Parveenkumar Loonchand	114900	3.82	0	-	-	-	-3.82
4	Kankariya Kamladevi Kantilal	134200	4.47	0	-	-	-	-4.47
5	Kankariya Rahul Kantilal	114910	3.82	0	-	-	-	-3.82
6	Kankariya Loonchand Dhanraj	116660	3.88	0	-	-	-	-3.88

7	Kankariya Rajkumar Loonchand	116300	3.87	0	-	-	-	-3.87
8	Kankariya Rakeshkumar Loonchand	115350	3.84	0	-	-	-	-3.84
9	Kankariya Umaravdevi Loonchand	11805	0.39	0	-	-	-	-0.39
10	Chopra Impex Private Limited	150000	4.99	00	-	-	-	-4.99
11	Prissm Remedies Private Limited	150000	4.99	00	-	-	-	-4.99
12	Loonchand Dhanraj-Huf	165770	5.52	00	-	-	-	-5.52
13	Anita Rajkumar Kankariya	106000	3.53	00	-	-	-	-3.53
14	Julie Rakesh Kankariya	106650	3.55	00	-	-	-	-3.55
15	Smita Praveen Kankariya	106250	3.54	00	-	-	-	-3.54
16	Kantilal Dhanraj-Huf	164800	5.48	00	-	-	-	-5.48
17	Samta Rahulkumar Kankariya	9150	0.3	00	-	-	-	-0.3

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 (01/04/2018)/END OF THE YEAR (31/03/2019)	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Kankariya Parveenkumar Loonchand				
	At the beginning of the year	114900	3.82	114900	3.82
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	114900	3.82	114900	3.82
	At the end of the year	0	0	0	0
2	Kankariya Kamladevi Kantilal				
	At the beginning of the year	134200	4.47	134200	4.47
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	134200	4.47	134200	4.47
	At the end of the year	0	0	0	0
3	Kankariya Rahul Kantilal				
	At the beginning of the year	114910	3.82	114910	3.82
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	114910	3.82	114910	3.82
	At the end of the year	0	0	0	0
4	Kankariya Loonchand Dhanraj				
	At the beginning of the year	116660	3.88	116660	3.88
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	116660	3.88	116660	3.88
	At the end of the year	0	0	0	0
5	Kankariya Rajkumar Loonchand				

	At the beginning of the year	116300	3.87	116300	3.87
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	116300	3.87	116300	3.87
	At the end of the year	0	0	0	0
6	Kankariya Rakeshkumar Loonchand				
	At the beginning of the year	115350	3.84	115350	3.84
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	115350	3.84	115350	3.84
	At the end of the year	0	0	0	0
7	Kankariya Umaravdevi Loonchand				
	At the beginning of the year	11805	0.39	11805	0.39
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	11805	0.39	11805	0.39
	At the end of the year	0	0	0	0
8	Chopra Impex Private Limited				
	At the beginning of the year	150000	4.99	150000	4.99
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	150000	4.99	150000	4.99
	At the end of the year	0	0	0	0
9	Prissm Remedies Private Limited				
	At the beginning of the year	150000	4.99	150000	4.99
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	150000	4.99	150000	4.99
	At the end of the year	0	0	0	0
10	Loonchand Dhanraj-Huf				
	At the beginning of the year	165770	5.52	165770	5.52
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	165770	5.52	165770	5.52
	At the end of the year	0	0	0	0
11	Anita Rajkumar Kankariya				
	At the beginning of the year	106000	3.53	106000	3.53
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	106000	3.53	106000	3.53
	At the end of the year	0	0	0	0
12	Julie Rakesh Kankariya				
	At the beginning of the year	106650	3.55	106650	3.55
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	106650	3.55	106650	3.55
	At the end of the year	0	0	0	0
13	Smita Praveen Kankariya				
	At the beginning of the year	106250	3.54	106250	3.54
	Less: Transfer of shares in terms of share purchase agreement dated	106250	3.54	106250	3.54

	September 21,2018.				
	At the end of the year	0	0	0	0
14	Kantilal Dhanraj-Huf				
	At the beginning of the year	106250	3.54	106250	3.54
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	106250	3.54	106250	3.54
	At the end of the year	0	0	0	0
15	Samta Rahulkumar Kankariya				
	At the beginning of the year	9150	0.3	9150	0.3
	Less: Transfer of shares in terms of share purchase agreement dated September 21,2018.	9150	0.3	9150	0.3
	At the end of the year	0	0	0	0
16	Champalal Gopiram Agarwal				
	At the beginning of the year	0	0	0	0
	Add: Transfer of shares in terms of share purchase agreement dated September 21, 2018.	841373	28	841373	28
	At the end of the year	841373	28	841373	28
17	Sumit Champalal Agarwal				
	At the beginning of the year	0	0	0	0
	Add: Transfer of shares in terms of share purchase agreement dated September 21, 2018.	841372	28	841372	28
	At the end of the year	841372	28	841372	28

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 (01/04/2018)/ END OF THE YEAR (31/03/2019)	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Sudeepkumar S Dasani At the beginning of the year At the end of the year	 500000 500000	 16.64 16.64	 500000 500000	 16.64 16.64
2	Cetex Distributors Private Limited At the beginning of the year Sale of shares At the end of the year	 450000 -450000 0	 14.98 -14.98 0	 450000 0 0	 14.98 0 0
3	Anil Mithalal Jain At the beginning of the year At the end of the year	 0 450000	 0 14.98	 0 450000	 0 14.98
4	Ashish Kanaiyalal Shah At the beginning of the year At the end of the year	 160000 160000	 5.32 5.32	 160000 160000	 5.32 5.32
5	Kanaiyalal D Shah HUF				

	At the beginning of the year At the end of the year	150000 150000	4.99 4.99	150000 150000	4.99 4.99
6	Anjanikumar Inderchand Agarwal At the beginning of the year At the end of the year	 0 10150	 0 0.34	 0 10150	 0 0.34
7	Pankaj Agarwal At the beginning of the year At the end of the year	 0 9150	 0 0.30	 0 9150	 0 0.30
8	Babulal Mishrimal Lunkad At the beginning of the year At the end of the year	 0 1800	 0 0.60	 0 1800	 0 0.60
9	Kantilal Jigarwala At the beginning of the year At the end of the year	 800 800	 0.03 0.03	 800 800	 0.03 0.03
10	Mukeshkumar Tarachand At the beginning of the year At the end of the year	 800 800	 0.03 0.03	 800 800	 0.03 0.03
11	Mehta Gautamchand At the beginning of the year At the end of the year	 800 800	 0.03 0.03	 800 800	 0.03 0.03

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 (01/04/2018)/END OF THE YEAR (31/03/ 2019)	% OF TOTAL SHARES OF THE COMPANY	NO OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Kankariya Rakeshkumar Loonchand At the beginning of the year Changes during the year At the end of the year	 115350 -115350 0	 3.84 -3.84 0	 115350 0 0	 3.84 0 0
2	Kankariya Rahulkumar Kantilal At the beginning of the year Changes during the year At the end of the year	 114910 -1149100 0	 3.82 -3.82 0	 114910 0 0	 3.82 0 0
3	Navaram Chelaram Rabari At the beginning of the year Changes during the year At the end of the year	 100 0 100	 0.003 0 0.003	 100 0 100	 0.003 0 0.003
4	Namrata Nareshkumar Jain At the beginning of the year Changes during the year At the end of the year	 100 0 100	 0.003 0 0.003	 100 0 100	 0.003 0 0.003
5	Mukesh Mohanlal Chhajed At the beginning of the year Changes during the year At the end of the year	 100 00 100	 0.003 00 0.003	 100 100 100	 0.003 0.003 0.003

6	Malvika Kapasi (from 01/04/2018-31/07/2018) At the beginning of the year Changes during the year At the end of the year	 0 0 0	 0 0 0	 0 0 0	 0 0 0
7	Champalal Gopiram Agarwal (from 08/01/2019) At the beginning of the year Purchase of Shares during the year At the end of the year	 0 841373 841373	 0 28 28	 0 841373 841373	 0 28 28
8	Sumit Champalal Agarwal (from08/01/2019) At the beginning of the year Purchase of Shares during the year At the end of the year	 0 841372 841372	 0 28 28	 0 841372 841372	 0 28 28
9	Nidhi Sanjaykumar Aggrawal (from 25/01/2019) At the beginning of the year Changes during the year At the end of the year	 0 0 0	 0 0 0	 0 0 0	 0 0 0
10	Sourabh Vijay Patawari (from 21/02/2019) At the beginning of the year Changes during the year At the end of the year	 0 0 0	 0 0 0	 0 0 0	 0 0 0
11	Kuldeep Ashokbhai Shah (from 21/02/2019) At the beginning of the year Changes during the year At the end of the year	 0 0 0	 0 0 0	 0 0 0	 0 0 0
12	Madhur Murari Todi (from 16/03/2019) At the beginning of the year Changes during the year At the end of the year	 0 0 0	 0 0 0	 0 0 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	1,597,904	0	1,597,904
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	1,597,904	0	1,597,904
Change in Indebtedness during the financial year	0	0	0	0
* Addition	0	0	0	0

* Reduction	0	1,597,904	0	1,597,904
Net Change	0	1,597,904	0	1,597,904
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. Malvika Kapasi (from 01/04/2018-31/07/2018	Ms. Nidhi Aggrawal (From 25/01/2019-31/03/2019)	Rakesh kankariya	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	30000	67147	-	97147
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	NIL	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	NIL	-	-	-
2	Stock Option	-	NIL	-	-	-
3	Sweat Equity	-	NIL	-	-	-
4	Commission				-	-
	- as % of profit	-	NIL	-	-	-
	others, specify…	-	NIL	-	-	-
5	Others, please specify	-	NIL	-	-	-
	Total	-	30000	67147	-	97147

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: 14/08/2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

MR. CHAMPALAL GOPIRAM AGARWAL
CHAIRMAN & DIRECTOR
DIN: 01716421

MR. SUMIT CHAMPALAL AGARWAL
MANAGING DIRECTOR
DIN: 00356863

ANNEXURE – B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

To,
The Members,
AARNAV FASHIONS LIMITED,
(Formerly known as Kayel Securities Limited)
1, New Cloth Market,
Raipur,
O/s., Raipur Gate,
Ahmedabad-380002

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 "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch, 2019 and verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

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) The 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 to the extent of their applicability to the Company;
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, 2018;
   (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;

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:

i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, 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.

ii) 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.

iii) All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

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 of the company 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, save and except as stated herein. During the Financial Year an Open Offer ("Offer") for acquisition of up to 26.00% of the total Paid Up Equity Share Capital of the Company from the Shareholders was made by Mr. Champalal Gopiram Agarwal and Mr. Sumit Champalal Agarwal in compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto. The acquisition resulted in the change in control and management of the Company.

Place: Ahmedabad **For, Ravi Kapoor & Associates**
Date: 14-08-2019

Ravi Kapoor
Company Secretary in Practice
FCS No. 2587

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

Annexure-A

To,
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 **For, Ravi Kapoor & Associates**
Date: 14-08-2019

Ravi Kapoor
Company Secretary in Practice
FCS No. 2587
C P No.: 2407

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 AGGRAWAL	Non-Executive Director	-
4.	SOURABH VIJAY PATAWARI	Independent Director	-
5.	KULDEEP ASHOKBHAI SHAH	Independent Director	-
6.	MADHUR MURARI TODI	Independent Director	-
7.	RAHULKUMAR KANTILAL KANKARIYA	Managing Director	-
8.	RAKESHKUMAR LOONCHAND KANKARIYA	Director	-
9.	NAMRATA NARESHKUMAR JAIN	Independent Director	-
10.	MUKESH MOHANLAL CHHAJED	Independent Director	-
11.	NAVARAM RABARI CHELARAM	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 AGGRAWAL	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.	RAHULKUMAR KANTILAL KANKARIYA	Managing Director	N.A.
9.	RAKESHKUMAR LOONCHAND KANKARIYA	Director& C.F.O	N.A.
10.	NAMRATA NARESHKUMAR JAIN	Independent Director	N.A.
11.	MUKESH MOHANLAL CHHAJED	Independent Director	N.A.
12.	NAVARAM RABARI CHELARAM	Independent Director	N.A.
13.	MALVIKA KAPASI	Company Secretary and Compliance 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 2018-19 is NIL as compared from F.Y. 2017-18.

d) The number of permanent employees during the year on the rolls of the Company: 6 Employees

Employees at end of the financial year: 2 employees*

***Malvika Kapasi has resigned w.e.f. 31/07/2018. Mahesh Nagar resigned w.e.f. 31.01.2019**

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:

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. Malvika Kapasi	Company Secretary	From 01/04/2018-31/03/2019	30,000	24
2	Mahesh Nagar	Office Clerk	From 01/04/2018 – 31/01/2019	1,37,500	52
3	Ms. Nidhi Aggrawal	Company Secretary	January 25, 2019	67,147	26

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 three 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.

Annexure D

REMUNERATION POLICY:

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

I. REMUNERATION TO EXECUTIVE DIRECTORS; KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT & OTHER EMPLOYEES:

The Board of Directors and Nomination & Remuneration Committee (subject to applicable authorization from shareholders) is authorized to decide /recommend the remuneration and other terms of appointment of such Directors and Senior management employees (one level below executive directors)and key managerial personnel and other employees of the company. The remuneration structure shall interalia, include salary, perquisites, retirement and/superannuation benefits as per HR Policy decided by the management of the company. Based on the performance appraisals, the changes in the remuneration shall be decided/recommended by the management/executive directors.

The remuneration on appointment and on appraisal based on the performance of other employees (other than senior management & Key Managerial Personnel) shall be decided by the functional head or business head from time to time considering the Human Resource Policy of the company. The remuneration components shall include basic salary, allowances, perquisites, retrial benefits; pay as may be decided by the management from time to time. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate employees at all levels, having regard to the industry practice.

OTHER TERMS APPLICABLE TO EXECUTIVE DIRECTORS AND SENIOR & KEY MANAGEMENT EMPLOYEES

i. The remuneration and terms of employments shall be fixed/ recommended in such a manner that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

ii. The remuneration shall involve a good balance between fixed and incentive pay (considering industry benchmark/practice) reflecting short and long term performance objectives appropriate to the working of the company and its goals.

iii. No director or executive should be directly involved in determining their own remuneration or performance evaluation.

iv. The Executive Director, Whole time Director/ Managing Director and/or Senior Management Employee shall be eligible for advances/loans as per prevalent HR Policy of the Company subject to the applicable statutory provisions and approvals.

II. REMUNERATION TO NON-EXECUTIVE DIRECTORS:

Company is not paying remuneration to the non-executive directors

III.CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

In accordance with the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director and senior management. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose is as under:

Criteria for determining qualifications, positive attributes and independence of a director:

I. QUALIFICATIONS:

a. He/ She should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

b. Such qualifications as may be prescribed under the Companies Act, 2013 read with rules framed there under and the Listing Agreement with Stock Exchanges.

A. Criteria for appointing a Director:

a. He/she should be a person of integrity, with high ethical standards.
b. He/she should be able to commit to his responsibilities and devote sufficient time and attention to his professional obligation as a Director.
c. He/she should be having positive thinking, courtesy and humility.
d. He /she should be knowledgeable and diligent in updating his knowledge.
e. He/she should have qualifications, skills, experience and expertise by which the Company can benefit.
f. In respect of independent director, in addition to the above (a) to (f), he should fulfill the criteria for being appointed as an Independent Director prescribed under section 149(6) of the Companies Act, 2013 read with Schedule IV to the said Act.
g. In respect of Executive/Whole time Director/Managing Director, in addition to above (a) to (e), he should have strong quality of leadership and team mentoring, recognition, management skills, vision, ability to steer the organization even in adverse conditions, innovative thinking, result oriented approach, ability to enhance reputation of the organization.

B. Criteria for appointing a Senior Management Employee/ Key Managerial Personal:

a. He/she should have the required educational, qualification, skills and functional knowledge for the post and eye for detailing & compliance

b. He/she should have integrity, humility, positive thinking, leadership qualities, sincerity, alert, hardworking, team building ability, good soft skills, transparency in dealings with the Company and other stakeholders.

c. Screening of the potential conflicts of interest and independence.

d. Detailed background information in relation to a potential candidate should be provided to all directors.

e. The identification of potential candidates may be assisted by the use of external search organizations as may be considered appropriate.

Place: Ahmedabad
Date: 14/08/2019

For and on behalf of the Board of Directors of
AARNAV FASHIONS LIMITED
(Formerly Known as KAYEL SECURITIES LIMITED)

MR. CHAMPALAL GOPIRAM AGARWAL	**MR. SUMIT CHAMPALAL AGARWAL**
CHAIRMAN & DIRECTOR	**MANAGING DIRECTOR**
DIN: 01716421	**DIN: 00356863**

ANNEXURE - E

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

FINANCE BUSINESS:

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64 per cent of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalize, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

TRADING BUSINESS:

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY 2017-18 stood at US$ 39.2 billion in FY18 and is expected to increase to US$ 82.00 billion by 2021 from US$ 31.65 billion in FY19 (up to Jan 19).

Our company foresees very bright future in trading business in India. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

COMPLIANCE

The Company ensures compliance of employment and other laws, tracking changes in applicable regulations on a regular basis.

HUMAN RESOURCES DEVELOPMENT / INDUSTRIAL RELATION

"Creating peaceful industrial relation is one of the factors that boost productivity and increase job opportunities that operating in a business friendly environment helps firms to successfully produce first class goods and services, increasing jobs and developing new technologies. "Employment relations in textile and garment industry should be improved to ensure decent work and enduring industrial peace". We think it's time for businesses to start conducting themselves in a more honest, ethical and sustainable way. We're passionate about, and completely committed to conducting our business in a way that has a positive impact on the people and our environment. Environmental sustainability and being 'Green' is so much more than just a condescending consumer add-on. Our world and the people who call it home are worthy of much more.

SWOT Analysis

Strength	Weakness
✓ The Promoters have been involved in the textile business from more than 25 years. ✓ Successful marketing strategies ✓ Good reputation among buyers ✓ Excellent sales staff with strong knowledge of existing products ✓ Good relationship with customers ✓ Good internal communications	✓ This is Company's first foray into Trading Sector along with finance. The Company needs to hire trained and professional people to manage its operations.
Opportunity	**Threat**
✓ Loyal customers ✓ Targeting new audience groups ✓ Entering new markets and segments ✓ Vertical integration ✓ Diversification	✓ The generic threat of economic slowdown exits, which may subdue the domestic demand for the products. ✓ Change in economic Regulations and laws may also affect the company adversely. ✓ Unfavorable changes in the rates of foreign currencies and trade policies ✓ Changing needs and preferences of customers

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

To refer Product Wise Performance, kindly review Note of Profit and Loss Statement: Revenue from Operations forming part of this Annual Report.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

PARTICULARS	2018-19	2017-18
Total Income	**15,802,009**	**6,522,373**
Closing Stock	-	-
Profit/(Loss) before Depreciation	**2,466,222**	**1,631,229**
Less: Depreciation	-	-
Profit/(Loss) before Tax	**2,466,222**	**1,631,229**
Provision for Taxation - Current Tax	**532,364**	**312,233**
Deferred Tax	**107,013**	**155,398**
Excess provision for Tax expense for earlier years	-	-
Profit for the year	**1,809,124**	**1,163,598**

During the year under review, Company has earned total income of Rs. 158.02 Lakh as against the total income of Rs. 65.22 Lakh of previous year. The total income of the company was up by 142% over previous year. Further, Profit before Tax in the financial year 2018-19 stood at Rs 24.66 Lakh as compared to Rs 16.31 Lakh of last year and Net Profit after Tax stood at Rs 18.09 Lakh compared to profit of Rs. 11.63 Lakhs for previous year. The Profit before tax and Net profit After Tax was increased by 51% and 55% respectively over previous year.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal Control system and adequacy Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. Thus, internal control is an integral component of risk management. The Internal control checks and internal audit programs adopted by the Company plays an important role in the risk management feedback loop, in which the information generated in the internal control process is reported back to the Board and Management. The

internal control systems are modified continuously to meet the dynamic change. Further the Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

RISK AND CONCERN

Key factors affecting the results of operation:

Our Company's future results of operations could be affected potentially by the following factors:

- Political Stability of the Country.
- World Economy.
- Government policies for the capital markets.
- Investment Flow in the country from the other countries and textiles.
- Competition from existing players
- Company's ability to successfully implement our growth strategy
- The loss of shutdown of operations of our Company at any time due to strike or labour unrest or any other reasons,

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 2018-19 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.

PLACE: AHMEDABAD
DATE: 14/08/2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)

MR. CHAMPALAL GOPIRAM AGARWAL	**MR. SUMIT CHAMPALAL AGARWAL**
CHAIRMAN & DIRECTOR	**MANAGING DIRECTOR**
DIN: 01716421	**DIN: 00356863**

INDEPENDENT AUDITORS' REPORT

To the Members of
M/s. KAYEL SECURITIES LIMITED

Report on the Standalone Financial Statements

Opinion

_We have audited the accompanying financial statements **of M/s. KAYEL SECURITIES LIMITED.** (''the Company"), which comprises the Balance Sheet as at March 31, 20 19, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial
_statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31'1 March, 2019 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.

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. We have determined that there are no key audit matters to communicate in our report.

Information Other than on Financial Statements and Auditors' Report Thereon

The Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon; The Other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements; our responsibility is to read the other information arid, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 judgments 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.

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

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

- Identify and assess the risks of material misstatement of the 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a ' material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated · in our report because the adverse consequences of doing so would reasonably· be expected to out Weigh the public interest benefits of such communication. .
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 – A**", statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   A. 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and

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 - B".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   B. 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) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company and
iv) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16)

In our opinion and according the information and explanations given to us, during the year, no remuneration is paid by the Company to its Directors.

FOR, HITESH PRAKASH SHAH & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 127614W

PLACE : AHMEDABAD
DATE : 29/05/2019

(CA. HITESH P. SHAH)
PARTNER
MEM. NO. 124095

Annexure "A" 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 2019, we report that;

i. The Company does not have fixed assets and therefore, provision of the clause 3(i) of the Order is not applicable.

ii. In respect of Inventory:

(a) As explained to us, inventories have been physically verified during the year by the management. 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 in the books of accounts.

iii. The Company has granted loans, .secured or unsecured to Companies, firms ·or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act') .
(a) In respect of the aforesaid loans, the terms and conditions on which such loans were granted are not prejudicial to the Company's Interest.
(b) In respect of the aforesaid loans, the schedule of repayment of principal and Interest has not been stipulated~ However, the repayments or receipts are regular.
(c) In respect of the aforesaid loans, there is no amount overdue for more than ninety days.

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. In our opinion, and according to the information and explanations given to us, during the year under consideration, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014 (as amended) Accordingly, the. Provisions of clause 3(v) 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. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed Statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no outstanding dues in respect of Income Tax, Goods and Service tax, Sales Tax, Service tax, duty of customs, duty of excise value added tax or cess etc. which have not been deposited/adjusted/reversed on account of any dispute.

viii. According to the records of the Company examined by us and the information" and explanation given to us, the. Company does not have any loans or borrowings from financial institutions, banks, Government or debenture holders and therefore the provisions of Clause 3(viii) of the Order are not applicable.

ix. As explained to us, during the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. According to the information and explanation given by the Company, no managerial remuneration has been paid and therefore clause 3(xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable to the Company.

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 explanation given to us and on overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) of the Order are not applicable to the Company.

xv. According to the information and explanation given to us, the Company has not entered into any Non cash transactions with its directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the· Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the Order is not applicable to the Company.

FOR, HITESH PRAKASH SHAH & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 127614W

PLACE : AHMEDABAD
DATE : 29/05/2019

(CA. HITESH P. SHAH)
PARTNER
MEM. NO. 124095

Annexure "B" 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. KAYEL SECURITIES LIMITED** ("the Company"), as of 31ST March, 2019, 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 or 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 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR, HITESH PRAKASH SHAH & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 127614W

PLACE : AHMEDABAD
DATE : 29/05/2019

(CA. HITESH P. SHAH)
PARTNER
MEM. NO. 124095

KAYEL SECURITIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31 March, 2019 Rs.	As at 31 March, 2018 Rs.
I.ASSETS			
(1) Non-Current Assets			
Financial Assets			
(i) Investments	2.1	18,82,875	18,82,875
(iii) Bank Balances	2.2	-	27,52,540
(c) Deferred tax assets (net)	2.3	82,617	1,89,630
(2) Current Assets			
(a) Inventories	2.4	42,06,823	-
(b) Financial Assets			
(i) Trade receivables	2.5	1,40,35,825	-
(ii) Cash and cash equivalents	2.6	6,13,495	92,311
(iii) Loans	2.7	1,81,78,738	3,15,48,815
(c) Other Current Assets	2.8	20,52,848	-
Total		4,10,53,221	3,64,66,171
I. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	2.9	3,00,50,000	3,00,50,000
(b) Other Equity	2.10	63,50,440	45,41,314
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	2.11	42,29,068	1,67,120
(ii) Short term borrowings	2.12	-	15,97,904
(b) Other Current Liabilities	2.13	16,518	17,723
(c) Provisions	2.14	31,645	7,500
(d) Current Tax Liabilities (net)	2.15	3,75,552	84,610
TOTAL		4,10,53,222	3,64,66,171

NOTES TO ACCOUNTS

Notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

As per our report of even date

FOR, HITESH PRAKASH SHAH & CO.

CHARTERED ACCOUNTANTS

FIRM REGN. NO. 127614W

(CA. HITESH P. SHAH)
PARTNER
MEM. NO. 124095

PLACE : AHMEDABAD

DATE : 29/05/2019

For and on behalf of the Board of Directors

KAYEL SECURITIES LIMITED

CHAMPALAL AGARWAL
DIN: 01716421
CHAIRMAN AND ADDITIONAL DIRECTOR

SUMIT AGARWAL
DIN: 00356863
MANAGING DIRECTOR

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

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

KAYEL SECURITIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019

Sr. No	Particulars	Notes	FY 2018-19	FY 2017-18
I	Revenue from operations			
II	Other Income	2.16	1,58,02,009	65,22,373
III	III. Total Revenue (I +II)			
IV	Expenses:		1,58,02,009	65,22,373
	Purchase of Stock in Trade			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		1,63,25,849	36,79,082
	Employee Benefit Expense	2.17	-42,06,823	-
	Financial Costs	2.18	2,34,647	1,97,200
	Other Expenses	2.19	1,25,176	1,37,226
		2.20	8,56,936	8,77,636
	Total Expenses (IV)			
			1,33,35,786	48,91,144
V	Profit before exceptional and extraordinary items and tax			
		(III - IV)	24,66,224	16,31,229
VI	Exceptional Items (Prior Period)			
VII	Profit before tax (VII - VIII)			
VIII	Tax expense:		24,66,224	16,31,229
	Provision for current tax			
	Excess Provision of Current Tax of Earlier Year		5,32,364	3,12,233
	Deferred Tax		17,721	
IX	Profit(Loss) for the period from continuing operations		1,07,013	1,55,398
		(VII-VIII)	18,09,126	11,63,598
X	Other Comprehensive Income			
	Total Comprehensive Income			
XI	Earning per equity share of face value of Rs. 10	2.22	0.60	0.39
	Basic & Diluted			
	Significant Accounting Policies	1		
	Notes on Financial Statements	2		

This is the Statement of Profit & Loss referred to in our Report of even date attached.

As per our report of even date

FOR, HITESH PRAKASH SHAH & CO.

CHARTERED ACCOUNTANTS

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KAYEL SECURITIES LIMITED

STATEMENT FOR CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A) Equity Share Capital			
Equity Shares of Rs 10 Each issued, subscribed and fully paid	No of Shares	Amount	
As at 1st April, 2017	30,05,000	3,00,50,000	
Changes during the year			
As at 31st March, 2018	30,05,000	3,00,50,000	
Changes during the year			
As at 31st March, 2019	30,05,000	3,00,50,000	
B) Other Equity			
Particulars	Securities Premium	Retained Earnings	Total
Balance as at 1st April, 2017	27,60,000	6,17,716	33,77,716
Profit for the year	-	11,63,598	11,63,598
Balance as at 31st March, 2018	27,60,000	17,81,314	45,41,314
Profit for the year	-	18,09,126	18,09,126
Balance as at 31st March, 2019	27,60,000	35,90,440	63,50,440

As per our report of even date

FOR, HITESH PRAKASH SHAH & CO.

CHARTERED ACCOUNTANTS

FIRM REGN. NO. 127614W

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PLACE : AHMEDABAD
DATE : 29/05/2019

KAYEL SECURITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2018-19

PARTICULARS		2018-19	2017-18
A	Cash Flow From Operating Activity		
	Profit/(loss) before Taxes	2483755	1631229
	Operation profit/loss before working	2483755	1631229
	capital changes		
	Adjustments for changes in working capital		
	Adjustment for:		
	Short Term Borrowings	(1597904)	1351753
	Trade Payable	4061946	(3711360)
	Other Current Liabilities	(1205)	(14527)
	Provision	24145	(40500)
	Loans	13316723	(2423438)
	Trade Receivables	(14035825)	3586994
	Other Financial Assets	(152420)	-
	Inventory	(4206823)	-
	Other Current Asset	(1900428)	-
	Cash Generated from / (used in) operations	(2008036)	380151
	Taxes (paid)/Received	(223320)	(309931)
	Net Cash from/(used in) Operating activity	(2231356)	70220
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Investment in Bank deposits (having original maturity of more than three months)	2752540	(83758)
	Net cash used in Investing activities	2752540	(83758)
	Net increase/(Decrease) in cash and cash equivalent	521184	(13538)
	Opening balance of cash and cash equivalent	92311	105849
	Closing balance of cash and cash equivalent	613495	92311
	Notes to Cash Flow Statement		
1.	The above cash flow statement has been prepared in accordance with format prescribed under Ind AS 7.		
2.	Previous year's figures have been reclassified /regrouped wherever considered necessary.		
3.	Figures in bracket indicate cash outflow		

As per our report of even date

FOR, HITESH PRAKASH SHAH & CO.

CHARTERED ACCOUNTANTS

FIRM REGN. NO. 127614W

(CA. HITESH P. SHAH)
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RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

PLACE : AHMEDABAD
DATE : 29/05/2019

1. (A) CORPORATE INFORMATION:

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 engaged in the business of Trading and financial services.

The financial statements were authorized for issue in accordance with a resolution passed in Board Meeting held on 29th May 2019.

(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, maximizing 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 from contract with customer (Applied from 1 April 2018)

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/ Goods and Service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised

Sale of Goods:

Revenue is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as sales tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale. The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Sales Return Allowances:

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

Dividends:

Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income and expense:

Interest income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "Revenue from Operations" in the Statement of Profit and Loss.

Contract balance

Contract assets:

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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 the 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. If a customer pays consideration before the Company transfers goods or services to the customer, a contract

liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Refund liabilities:

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Revenue recognition (till 31 March 2018)

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) and goods and service tax are not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of VAT/CST/GST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.

The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax in the year of admission of such claims by the concerned authorities. Benefits in respect of Export Licenses are recognized on application. Export benefits are accounted for as other operating income in the year of export based on eligibility and when there is no uncertainty on receiving the same.

Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable. Interest income is included under the head "other income" in the Statement of Profit and Loss.

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.

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. Judgment's 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.

1.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 Revenue from Contracts with Customers was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures. The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. There is no impact to be recognized at the date of initial application as an adjustment to the opening balance of retained earnings as at 1 April 2018. The cumulative effect of initially applying Ind AS 115 as at the date of initial application of 1 April 2018 amounts to Rs Nil. The comparative information was also not restated as there is no change even after adoption of Ind AS 115 and continues to be reported under Ind AS 18.

Serval other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the standalone financial statements of the company. The company has not early adopted any standards any standards or amendments that have been issued but are not yet effective.

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards if applicable, when they become effective. The Ministry of Corporate Affair (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 applicable from 1st April 2019 amending the following standard.

Impact of Ind AS 116 - Leases

On 30 March 2019, Ministry of Corporate Affairs has notified IND AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standards sets outs the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying assets is of low value. Currently, operating lease expenses are charges to the statements of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

a) Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimation and Errors.
b) Modified retrospective - Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial applicable. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use assets either as:
c) Its carrying amount as if the standard has been applied since the commencement date, but discounting at lessee's incremental borrowing rate at the date of initial applicable or
d) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of Initial applicable. Certain practical expedients are available under both the methods.

The Company intends to adopt these standard, as applicable and they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its financial statements.

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note: 2.1 Investments

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Investments in Equity Instruments		
Unquoted Investment		
100 (31st March, 2018: 100) Equity shares of Nikesh Silk Private Limited of Rs 10/- Each.	1,000	1,000
2,11,500 (31st March, 2018: 2,11,500) Equity Shares of Kayel Syntex Limited of face Value of Rs.10/- Each.*	18,81,875	18,81,875
Total	1882875	1882875
Current	-	-
Non-Current	18,82,875	18,82,875
Aggregate book value of unquoted Investments	**18,82,875**	**18,82,875**
*Shares of Kayel Syntex Limited were listed on Ahmedabad Stock Exchange till 16.01.2017. Post 16.01.2017 Ahmedabad Stock Exchange underwent exit policy wherein all companies were shifted to NSE or BSE or to Dissemination Board. Kayel Syntex Limited went into dissemination Board and therefore same are treated as unquoted as on 31.03.2017.		

Note: 2.2 Other Bank Balances

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Balances with Bank		
Deposits with Maturity More than 12 Months	-	27,52,540
Total		

	-	27,52,540
Current		
Non-Current	-	27,52,540
Total	**-**	**27,52,540**

Note: 2.3 Deferred Tax Assets

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Deferred Tax Assets:	82,617	1,89,630
Total	**82,617**	**1,89,630**

INCOME TAX

The major component of income tax expenses for the years ended 31st March 2019 and 31st March 2018 are:

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Statement of Profit and Loss		
Current Tax		
Current Income Tax	5,32,364	3,12,233
Deferred Tax		
Deferred tax	1,07,013	1,55,398
Tax in respect of earlier years	17,721	-
Income tax expense reported in the Statement of Profit and Loss	6,57,098	4,67,631
Other comprehensive Income (OCI)		
Deferred Tax related to items recognised in OCI during the Year	-	-
Deferred Tax Credited to OCI	-	-

(a) **Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate for the year ended 31st March 2019 and 31st March 2018**

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Accounting Profit before tax	24,66,224	16,31,229
Enacted income tax rate in India applicable to the Company	26.00	25.75
Tax using the Company's domestic tax rate	6,41,218	4,20,041
Tax Effects of:		
Income Tax Allowances	-	(1,07,808)
Excess Provision for Current tax of earlier years	17,721	-
Other	1,07,013	1,55,398
Tax Expense at the effective income tax rate of 31 March 2019: 28.03% (31 March 2018: 28.67%)	**7,65,952**	**4,67,631**

(b) **Deferred Tax**

Statement of Profit and Loss

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Other Adjustments	(1,07,013)	(1,55,398)
Total	**(1,07,013)**	**(1,55,398)**

Particulars	₹	₹
	31.03.2019	31.03.2018
Deferred Tax Assets	82,617	1,89,630
Total	**82,617**	**1,89,630**

Note: 2.4 Inventories

Particulars	₹	₹
	31.03.2019	31.03.2018
Trading Goods-At cost or Market value whichever is lower	42,06,823	-
Total	42,06,823	**-**

Note: 2.5 Trade Receivables

Particulars	₹	₹
	31.03.2019	31.03.2018
Outstanding for more than six months		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	-	-
c) Doubtful	-	-
Others		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	1,40,35,825	-
c) Doubtful	-	
Total	**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

Particulars	₹	₹
	31.03.2019	31.03.2018
Cash-in-Hand		
Cash Balance	1,10,885	3,511
Sub Total (A)	**1,10,885**	**3511**
Balance with Scheduled Bank		
In Current account	5,02,610	88,800
Sub Total (B)	**5,02,610**	**88,800**
Total [A + B]	**6,13,495**	**92,311**

Note: 2.7 Loans

Particulars	₹	₹
	31.03.2019	31.03.2018
Current , Unsecured (Considered Good)		
(Unsecured, Considered Good)		
- Loan to Related Parties	-	4,11,925
- Loan to Others	1,81,78,738	3,11,21,890

- Loan to Employees Staff	-	15,000
Total	**1,81,78,738**	**3,15,48,815**
Current	1,81,78,738	3,15,48,815
Non-Current	-	-
Total	**1,81,78,738**	**3,15,48,815**

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

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**

Particulars	Amount outstanding as at 31st March,2018	Maximum balance during the year 31st March, 2018
M/s. Kantilal Loonchand	62,068	62,068
Kayel Syntex Limited	3,49,857	3,49,857
Total	**4,11,925**	**4,11,925**

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Balance with Revenue Authority	1,52,420	
Advance to Supplier	19,00,428	-
Total	**20,52,848**	**-**

Note: 2.9 Share Capital

Particulars	₹	₹	₹	₹
	As on 31.03.2019		**As on 31.03.2018**	
	No. Of Shares	**Amount**	**No. Of Shares**	**Amount**
AUTHORIZED CAPITAL				
31,00,000 (31st March, 2018 31,00,000) Equity Shares of Rs 10 each	31,00,000	3,10,00,000	31,00,000	3,10,00,000
	31,00,000	**3,10,00,000**	**31,00,000**	**3,10,00,000**
ISSUED , SUBSCRIBED & PAID UP CAPITAL				
30,05,000 (31st March, 2018 30,05,000) Equity Shares of Rs 10 each	30,05,000	3,00,50,000	30,05,000	3,00,50,000
	30,05,000	**3,00,50,000**	**30,05,000**	**3,00,50,000**
Total	**30,05,000**	**3,00,50,000**	**30,05,000**	**3,00,50,000**

b. **RECONCILIATION OF NUMBER OF SHARES OUTSTANDING**				
Particulars	**As on 31st March 2019**		**As on 31st March 2018**	
	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	-	-	-	-
Shares bought back during the Year	-	-	-	-

Shares outstanding at the end of the Year	30,05,000	3,00,50,000	30,05,000	3,00,50,000

c. **Rights, preference and restriction attached to Equity Shares**
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.

e.

SHAREHOLDERS HOLDING MORE THAN 5% OF THE SHARES	CURRENT YEAR		PREVIOUS YEAR	
NAME	NO. OF SHARES	%	NO. OF SHARES	%
Champalal Gopiram Agarwal	8,41,373	28.00	-	0.00
Sumit Champalal Agarwal	8,41,372	28.00	-	0.00
Anil Mithalal Jain	4,50,000	14.98	-	0.00
Kantilal Kankariya Dhanraj HUF	-	-	1,64,800	5.48
Kankariya Loonchand Dhanraj HUF	-	-	1,65,770	5.52
Sudeep Dasani	5,00,000	16.64	5,00,000	16.64
Cetex Dist. Pvt. Ltd.	-	-	4,50,000	14.98
Ashish K Shah	1,60,000	5.32	1,60,000	5.32

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

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Securities Premium		
- Balance as per last financial statement	27,60,000	27,60,000
Addition during the year	-	-
- Closing Securities Premium (A)	27,60,000	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	17,81,314	6,17,716
Add: Profit for the year	18,09,126	11,63,598
- Closing Retained Earnings (B)	35,90,440	17,81,314
Total Other Equity (A+B)	**63,50,440**	**45,41,314**

Note: 2.11 Trades Payable

Particulars	₹	₹
	31.03.2019	**31.03.2018**
-Sundry Creditors for Goods	41,58,238	1,67,120
-Sundry Creditors for Expense	70,830	-
Total	42,29,068	1,67,120

As per Information available on Company's records, no amount was due to Micro, Small and Medium Enterprises as defined under the MSME Act,2 006 and hence disclosure is not given.

Note: 2.12 Short Term Borrowings

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Unsecured Loan From Corporates	-	15,97,904
Total	**-**	**15,97,904**

Note: 2.13 Other Current Liabilities

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Statutory Liabilities	16,518	17,723
Total	**16,518**	**17,723**

Note: 2.14 Provisions

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Provision for Expenses	31,645	7,500
Total	**31,645**	**7,500**

Note: 2.15 Current Tax Liabilities (Net)

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Provision for Taxes	5,32,364	3,04,691
Less:		
Advance tax /TDS Receivable Balance	(1,56,812)	(2,20,081)
Total	**3,75,552**	**84,610**

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2019

Note: 2.16 Revenue from Contracts with Customers

2.16.1

Particulars	₹	₹
	31.03.2019	**31.03.2018**
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	1,33,67,453	36,98,712
Sale of Financial Services	24,34,556	28,23,661
revenue from contracts with customers	**1,58,02,009**	**65,22,373**
Other Operating Revenue	-	-
Total Revenue from Operations	**1,58,02,009**	**65,22,373**
Sales of Goods		

In India	1,33,67,453	36,98,712
Outside India	-	-
	1,33,67,453	**36,98,712**
Sale of Services		
In India	24,34,556	28,23,661
Outside India	-	-
Total Revenue from contracts with Customers	**1,58,02,009**	**65,22,373**
Timing of Revenue Recognition		
Goods and services transferred at a point in time	1,58,02,009	65,22,373
Total Revenue from contracts with Customers	**1,58,02,009**	**65,22,373**
Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the		
segment information (refer Note No. 2.25)		
Revenue	**31.03.2019**	**31.03.2018**
Segments:		
Trading	1,33,67,453	36,98,712
Financial Services	24,34,556	28,23,661
	1,58,02,009	65,22,373
Less: Inter-segment adjustment and elimination	-	-
Total Revenue from contracts with Customers	**1,58,02,009**	**65,22,373**

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, 2019 is reported net of GST. According to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the revenue from operations for the year ended March 31, 2018 are inclusive of excise duty, if any, until the period ended June 30, 2018. As there is no element of excise duty in the revenue for the year ended March 31, 2018, the non- comparability of revenue with that of current financial year does not arise in the above case.

Outstanding Balances

2.16.2

Particulars	**31.03.2019**	**31.03.2018**
Contract Balances		
Trade Receivables	1,40,35,825	-
Contract Liabilities (Advance from Customers)	-	-
No provision is required to be recognised for any expected credit losses on trade receivables for the position as on		
March 31, 2019 (March 31, 2018 - Rs. Nil)		
Set out below is the amount of revenue recognised from :-		
Particulars	**31.03.2019**	**31.03.2018**
Amounts included in Contract Liabilities (Advance from		
Customers) at the beginning of the year	-	-
Performance obligation satisfied in Previous year	-	-
2.16.3		
Particulars	**31.03.2019**	**31.03.2018**
Reconciling the amount of revenue recognised in the		
statement of profit and loss with the contracted price		
Revenue as pe contracted price (net of taxes)	1,58,02,009	65,22,373

Adjustments:		
Provision for sales return, late deliveries, etc	-	-
Revenue from contract with customers	1,58,02,009	65,22,373
2.16.3		
Performance Obligation		

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st March, 2019is Rs. NIL (31st March 2018- NIL)

Note: 2.17 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Closing Stock		
Stock in Trade	42,06,823	-
Opening Stock		
Stock in Trade	-	-
(Increase)/Decrease in Inventory	(42,06,823)	

Note: 2.18 Employment Benefit Expenses

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Salary & Wages and Bonus	2,34,647	1,97,200
Total	**2,34,647**	**1,97,200**

Note: 2.19 Financial Cost

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Interest on unsecured loans	1,25,176	1,37,226
Total	**1,25,176**	**1,37,226**

Note : 2.20 Other Expenses

Particulars	₹	₹
	31.03.2019	**31.03.2018**
Payment to Auditors		
- Statutory Audit	5,900	5,900
- Other Matter	11,800	14,676
Advertisement expenses	37,824	55,230
Accounting Expenses	-	30,000
Miscellaneous Expenses	1,03,435	1,20,750
Conveyance Expenses	67,320	50,735
Postage and Telegram	31,460	19,929
Telephone Expenses	6,305	7,435
Listing Fees	2,95,000	2,87,500

Filing Fees	11,500	-
Printing & Stationery Expenses	11,280	11,811
Office Expenses	97,815	82,880
Legal and Professional Charges	1,55,578	1,57,936
Website maintenance charges	1,770	31,770
Bank Charges / Commission & Postage	7,449	1,084
Rent	12,500	-
Total	**8,56,936**	**8,77,636**

Note: 2.21 other Disclosures

Related Party Disclosures:

Name of the Related Parties and Description of Relationship	**Nature of Relationship**
Particulars of Associates	
Kayel Syntex Limited	Associate
Kantilal Loonchand	Associate
Sachi Enterprise	Associate
Director/KMP For the year 2018- 2019	**Designation**
- Rakesh L. Jain (ceased with effect from 21/02/2019)	Director
- Rahul K. Jain (ceased wih effect from 08/01/2019)	Director
- Sumit Agarwal (appointed from 08/01/2019)	Managing Director
-Champalal Agarwal (appointed from 08/01/2019)	Chairman & Additional Director

Related Party Transactions:

Particulars	**2018-19**	**2017-18**
Outstanding Receivable as at year end		
Kayel Syntex Ltd	-	3,49,857
M/s. Kantilal Loonchand	-	62,068
Loan Given		
Kayel Syntex Ltd	-	7,09,714
Loan Given repaid		
Kayel Syntex Ltd	3,49,857	7,09,714
M/s. Kantilal Loonchand	62,068	-
Loan Taken		
Kayel Syntex Ltd	-	31,00,286
Sachi Enterprise	1,51,000	-
Loan Taken and repaid		
Sachi Enterprise	1,51,000	-
Kayel Syntex Ltd	-	31,00,286

Terms and conditions of transactions with related parties

Outstanding balances as at year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March 2019 the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2018: 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	2018-19	2017-18
Net Profit as per Profit & Loss		
Amount available for Equity Shareholders	18,09,126	11,63,598
Weighted average number of Equity shares	30,05,000	30,05,000
Basic & Diluted Earnings per share	0.60	0.39

Note: 2.23 Earning Per Share
Employee Benefit Expenses - No Benefit other than Salary and Bonus is applicable to the company

Note: 2.24 COMMITMENTS AND CONTINGENCIES - Nil

Note: 2.25 Segment Reporting

Operating Segments:
The Company is engaged in the business of trading 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 property, plant and equipment, 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	
	ENDED ON	ENDED ON
	31.03.2019	31.03.2018
Segment Revenue		
a) Financial Services	24,34,556	28,23,661
b) Trading	1,33,67,453	36,98,712
Total	1,58,02,009	65,22,373
Net Sales/Income from Operation	**1,58,02,009**	**65,22,373**
Segment Results		
a) Financial Services	23,09,380	26,86,435
b) Trading	12,48,427	19,630

Total	35,57,807	27,06,065
Less: i) Interest		-
ii) Other unallocable Expenses	1,091,585	10,74,836
Total Profit Before Tax	**2,466,222**	**16,31,229**
Segment Assets		
a) Financial Services	20,061,613	3,61,69,230
b) Trading	20,295,496	-
c) Unallocated	696,112	2,96,941
Total Segment Assets	**4,10,53,221**	**3,64,66,171**
Segment Liabilities		
a) Financial Services	-	15,97,904
b) Trading	42,29,068	1,67,120
c) Unallocated	4,23,715	1,09,833
Total Segment Liabilities	**46,52,783**	**18,74,857**

Note: 2.26

Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

Category-wise Classification of Financial Instruments

PARTICULAR	REFER NOTE	AS AT 31ST MARCH 2019		
		FAIR VALUE THROUGH PROFIT AND LOSS	AMORTISED COST	CARRYING COST
Financial assets				
Investments in unquoted equity shares	1	18,82,875	-	18,82,875
Trade Receivables	5	-	1,40,35,825	1,40,35,825
Cash and cash equivalents	6	-	6,13,495	6,13,495
Other Financial Asset	7	-	1,52,420	1,52,420
Loans	8	-	1,82,32,092	1,82,32,092
Total		18,82,875	3,30,33,832	3,49,16,707
Financial liabilities				
Short Term Borrowings	13	-	-	-
Trade Payables	12		42,29,066	42,29,066
Total		-	42,29,066	42,29,066

PARTICULAR	REFER NOTE	AS AT 31ST MARCH 2018		
		FAIR VALUE THROUGH PROFIT AND LOSS	AMORTISED COST	CARRYING COST
Financial assets				
Investments in unquoted equity shares	1	18,82,875	-	18,82,875
Other Bank Balances	2	-	27,52,540	27,52,540
Cash and cash equivalents	6	-	92,311	92,311
Loans	8	-	3,15,48,815	3,15,48,815
Total		18,82,875	3,43,93,666	3,62,76,541
Financial liabilities				
Short Term Borrowings	13	-	15,97,904	15,97,904

Trade Payables	12	-	1,67,120	1,67,120
Total		-	17,65,024	17,65,024

Category-wise Classification of Financial Instruments:

Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities

Particular	As at 31-03-2019	As at 31-03-2018
	Significant observable input (Level 3)	Significant observable input (Level 3)
Financial Assets		
Investments in unquoted equity shares (refer note - 1)	18,82,875.00	18,82,875.00

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.

Notes on Financial Statement for the year ended 31st March, 2019

2.27 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 ri5k: 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 assumption, is based on the occurrence of adverse I 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, 2019.

(II) Foreign currency risk
The Company's activities are not exposed to any foreign exchange 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 2019, the carrying value of such Instruments recognised at FVTOCI amounts to Rs 1,882,875. (31st March 2018 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

During the year ended 31st March 2019, sales to customers of Rs. 1,33,67,453/- or 100% of net revenue and during the year ended 31st March, 2018, sales to such customer of Rs. Nil of net revenue. Accounts receivable from such customers is Rs.1,40,35,8251/- as at 31st March 2019, and Rs Nil as at 31st March 2018. A loss of this customer could adversely affect the operating results or cash flows of the company.

During the year ended 31st March 2019, Interest on loan of Rs 2,071,040/- or 85.07% of Interest Income and during the year ended 31st March, 2018, Interest on loan Rs 26,06,835/- or 92.32% of Interest Income. Accounts receivable from such customers is Rs 57,22,9411 as at 31st March 2019, and Rs 3, 11,21,890/· as at 31st March 2018. A loss of this customer could adversely affect the operating results or cash flows of the company.

(c) Liquidity risk

Company doesn't have any Bank borrowings. Company generally has enough liquid assets in the form of Cash and ·sank Deposits to pay outstanding liabilities. Moreover, the trade payables have maturity on demand/ Less than 1 year of Rs. 42,29,0681/-

2.28 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 2019, 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 of achieve an optimal capital structure, the .company reinvests 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 31-03-2019	As at 3103-2018
Equity	30,050,000	3,00,50,000
Other Equity	6,350,438	4,541,314
Total	36,400,436	34,591,314

2.29 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 29th May 2019, there were no subsequent events to be recognized or reported that are not already disclosed elsewhere in these financial statements.

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

As per our report of even date

For and on behalf of the Board of Directors

FOR, HITESH PRAKASH SHAH & CO.

KAYEL SECURITIES LIMITED

CHARTERED ACCOUNTANTS

FIRM REGN. NO. 127614W

CHAMPALAL AGARWAL
DIN: 01716421
CHAIRMAN AND ADDITIONAL DIRECTOR

SUMIT AGARWAL
DIN: 00356863
MANAGING DIRECTOR

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

(CA. HITESH P. SHAH)
PARTNER
MEM. NO. 124095

RADHAKISHAN SHARMA
CHIEF FINANCIAL OFFICER

PLACE : AHMEDABAD
DATE : 29/05/2019

ATTENDANCE SLIP
AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES 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.kayelsecurities.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 36th Annual General Meeting of Aarnav Fashions Limited held on Monday, September 30, 2019 at 01:00 P.M. at the Registered Office of the Company situated at 1, New Cloth Market, O/s Raipur Gate, Ahmedabad - 380002, Gujarat, India.

_____ _____

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
(FORMERLY KNOWN AS KAYEL SECURITIES 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.kayelsecurities.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

1. Name:_____
   Address:_____
   E-mail Id:_____ Signature: _____or failing him

2. Name:_____
   Address:_____
   E-mail Id:_____ Signature: _____or failing him

3. Name:_____
   Address:_____
   E-mail Id:_____ Signature: _____or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting and/or any adjournment thereof of Aarnav Fashions Limited held on Monday, September 30, 2019 at 01:00 P.M. at the Registered Office of the Company situated at 1, New Cloth Market, O/s Raipur Gate, Ahmedabad - 380002, 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		
Ordinary businesses		**For**	**Against**	**Abstain**
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, 2019 TOGETHER WITH THE CASH FLOW STATEMENTS & NOTES TO THE ACCOUNTS AND REPORTS OF THE BOARD OF DIRECTORS AND THE AUDITORS THEREON**			
2	**TO APPOINT A DIRECTOR IN PLACE OF MR. CHAMPALAL GOPIRAM AGARWAL, DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT**			
3	**APPOINTMENT OF STATUTORY AUDITOR**			

SPECIAL BUSINESSES				
4	**TO REGULARIZE MR. SUMIT CHAMPALAL AGARWAL AS DIRECTOR OF THE COMPANY**			
5	**TO APPROVE THE RELATED PARTY TRANSACTION**			
6	**TO CREATE SECURITY ON THE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE, IN FAVOR OF LENDERS:**			
7	**TO INCREASE THE BORROWING POWERS OF THE COMPANY**			
8	**TO PROVIDE UNSECURED LOAN UNDER SECTION 185**			
9	**INCREASE IN THE LIMITS APPLICABLE FOR MAKING INVESTMENTS / EXTENDING LOANS AND GIVING GUARANTEES OR PROVIDING SECURITIES IN CONNECTION WITH LOANS TO PERSONS / BODIES CORPORATE**			
10	**TO APPROVE REMUNERATION OF MR. SUMIT CHAMPALAL AGARWAL, MANAGING DIRECTOR OF THE COMPANY**			

Signed this.....day of.....2019

Affix Revenue Stamp of not less than Rs. 1

_____	_____
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 September28, 2019 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
inspiring textiles

AARNAV FASHIONS LIMITED
(FORMERLY KNOWN AS KAYEL SECURITIES LIMITED)
CIN: L17100GJ1983PLC028990
REGISTERED OFFICE: 1, NEW CLOTH MARKET, O/S RAIPUR GATE, RAIPUR, AHMEDABAD-380002