E-mail :info@aarviencon.com
Website :www.aarviencon.com

Tel.: 91-22-4049 9999
Fax.: 91-22-4049 9998

Aarvi Encon Limited

CIN : L29290MH1987PLC045499
(ISO 9001 & 14001 & ISO 45001)
Regd. Office : B1-603, 6th Floor, Marathon Innova, Marathon Nextgen Complex, Opp. Peninsula Park, Lower Parel, Mumbai - 400 013, India.

AEL/NSE/2026-27/14 Date: July 22, 2026

To,
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E}, Mumbai – 400051.

Kind Attention: Head – Listing
Symbol: AARVI

Sub: Notice of the 38th Annual General Meeting of the Members of the Company and the Annual Report for the FY 2025 – 26

Dear Sir/Madam,

This is to inform that 38th Annual General Meeting (AGM) of the Company will be held on **Friday, August 14, 2026** at 11.00 A.M (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Notice convening the Forty-ninth Annual General Meeting (Post-IPO) ("Notice") and Annual Report of the Company, for the financial year 2025-26, are being sent through electronic mode to all the members and debenture holders whose e-mail address is registered with the Company / Registrar and Transfer Agent / Depository Participants / Depositories.

Notice and Annual Report are attached and the same are also available on the Company's website at:

Notice	https://aarviencon.com/storage/app/uploads/public/6a6/08f/56c/6a608f56c0496479315550.pdf

Further, pursuant to Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter providing the web-link of the Annual Report, being sent to those members who have not registered their e-mail address.

This is for your information and dissemination purpose to all the concerned.

Thanking You,

Yours Faithfully,
For Aarvi Encon Limited

Leela Rahul Gupta
Digitally signed by Leela Rahul Gupta
Date: 2026.07.22 12:01:07 +05'30'

Leela Bisht
Company Secretary & Compliance Officer
Membership No.: A59748
Encl: As above

Aarvi Encon Limited

Engineering • Manpower • Outsourcing

Talent on Demand

Annual Report 2025-26

Great Place To Work® Certified JUL 2026-JUL 2027 INDIA

ISO 9001:2015 CERTIFIED

ISO 45001:2018 CERTIFIED

ISO 14001:2015 CERTIFIED

Website : www.aarviencon.com

Our Strengths

- 30+ Years of Proven Expertise
- Skilled Talent Pool Across Domains
- Pan-India & Global Presence
- Flexible & Scalable Workforce Solutions
- Strong Client Partnerships with Leading Corporates

Our Philosophy

"Right Talent. Right Time. Real Results."

We believe in strategic problem-solving, on-time delivery, and continuous innovation, helping our clients stay competitive and future-ready.

By adhering to our vision and mission, we continue to expand and provide exceptional services, ensuring that our clients receive the most reliable and skilled professionals for their specialized needs.

aarvi

ABOUT AARVI ENCON LIMITED

For nearly four decades, **Aarvi Encon Limited** has been at the forefront of delivering engineering support and technical workforce solutions to India's core industrial sectors. Incorporated in **1987** and headquartered in **Mumbai**, the Company has evolved into one of the country's most trusted engineering manpower service providers. Listed on the **National Stock Exchange of India Limited (NSE)**, Aarvi Encon has established a strong domestic presence while steadily expanding its footprint across the Middle East and Southeast Asia. With a deployed workforce of over 8,000 skilled professionals, the Company plays a pivotal role in supporting the successful execution of large-scale industrial and infrastructure projects.

Aarvi Encon offers a comprehensive portfolio of services, including technical manpower outsourcing, engineering support, operations and maintenance (O&M), pre-commissioning and commissioning assistance, project management support, procurement assistance, inspection services, and permanent recruitment solutions. The Company provides customised workforce solutions that enable clients to execute projects efficiently, safely, and within prescribed timelines.

Over the years, the Company has developed deep domain expertise across a diverse range of industries, including **Oil & Gas, Refineries, Petrochemicals, LNG, LPG, Power, Renewable Energy (Solar and Wind), Pipelines, Infrastructure, Metals & Minerals, Fertilisers, Chemicals, Railways, Metro, Ports & Terminals, Manufacturing, and other process industries.** Its ability to deploy qualified engineering professionals across every phase of a project's lifecycle has made Aarvi Encon a preferred partner for leading public sector undertakings, multinational corporations, EPC contractors, and private enterprises.

Quality, environmental responsibility, occupational health and safety, and regulatory compliance are integral to the Company's business philosophy. Aarvi Encon operates under internationally recognised management systems and is certified to **ISO 9001:2015** for Quality Management Systems, **ISO 14001:2015** for Environmental Management Systems, and **ISO 45001:2018** for Occupational Health and Safety Management Systems. These certifications reflect the Company's commitment to delivering quality services while promoting sustainable and safe business practices.

The Company continues to strengthen its international presence through its subsidiaries and business operations in the **United Arab Emirates, Oman, Qatar, Saudi Arabia, Indonesia, and Malaysia.** Backed by India's accelerating infrastructure development and increasing investments in energy, manufacturing, and industrial projects worldwide, Aarvi Encon is well positioned to capture emerging growth opportunities in both domestic and international markets.

Aarvi Encon has built enduring relationships with several renowned organisations, including Reliance Industries Limited, Larsen & Toubro Limited, Hindustan Petroleum Corporation Limited (HPCL), Chennai Petroleum Corporation Limited (CPCL), and numerous other leading EPC companies and industrial enterprises. These long-standing partnerships are a testament to the Company's technical expertise, execution capabilities, and unwavering commitment to customer satisfaction.

Guided by strong corporate values, experienced leadership, and a customer-centric approach, Aarvi Encon Limited remains committed to delivering reliable engineering and workforce solutions while creating sustainable value for its customers, employees, shareholders, and the communities it serves.

Index

Board of Directors and Committees

BOARD OF DIRECTORS

Mr. Virendra D. Sanghavi
Managing Director

Mr. Jaydev V. Sanghavi
Executive Director and CFO

Mr. Devendra J. Shrimanker
Independent Director

Mrs. Sonal N. Doshi
Independent Director

Mr. Ramachandran Ramamoorthy
Independent Director

Dr. (Mrs.) Padma V. Devarajan
Independent Director (Resigned w.e.f. Jan. 31, 2026)

Mr. Jagat S. Parikh
Independent Director (Appointed w.e.f. February 2, 2026)

M/s. Jay Shah & Associates
Statutory Auditor

M/s. ADCN & Company
Secretarial Auditor

Bigshare Services Private Limited
Registrar and Transfer Agent (RTA)

Company Secretary and Compliance Officer
Leela Bisht

BANKERS:-
Yes Bank
Bank of Baroda
HDFC Bank
HSBC Bank
Federal Bank

BOARD COMMITTEES

AUDIT COMMITTEE
Mr. Devendra J. Shrimanker - Chairman
Mrs. Sonal N. Doshi – Member
Mr. Jaydev V. Sanghavi – Member
Mr. Ramachandran Ramamoorthy – Member
Dr. Padma Deverajan - Member (Upto January 31, 2026)
Mr. Jagat S. Parikh- Member (Appointed w.e.f. April 22, 2026)

NOMINATION AND REMUNERATION COMMITTEE
Mr. Devendra J. Shrimanker - Chairman
Mrs. Sonal N. Doshi – Member
Dr. Padma Deverajan - Member (Upto January 31, 2026)
Mr. Jagat S. Parikh– Member (Appointed February 11, 2026)

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mrs. Sonal N. Doshi – Chairman
Mr. Devendra J. Shrimanker – Member
Mr. Jaydev V. Sanghavi – Member

FINANCE AND MANAGEMENT COMMITTEE
Mr. Virendra D. Sanghavi – Chairman
Mr. Jaydev V. Sanghavi – Member

Registered Office:-
B1-603,
Marathon Innova,
Marathon NextGen,
Lower Parel (W),
Mumbai – 400 013.

Board of Directors

Virendra D. Sanghavi
Managing Director

Jaydev V. Sanghavi
Executive Director and CFO

Devendra J. Shrimanker
Independent Director

Jagat Parikh
Independent Director

Sonal N. Doshi
Independent Director

Ramachandran Ramamoorthy
Independent Director

Managing Director's Message

Virendra D. Sanghavi
Managing Director

Dear Shareholders,

As I look back on the journey of Aarvi Encon Limited, I am reminded that businesses are not built overnight. They are built over years through relationships, trust, consistency, and the collective efforts of people who believe in a common purpose. For nearly four decades, Aarvi Encon has grown steadily by staying true to these values. While industries have evolved, technologies have changed, and markets have become increasingly competitive, our commitment to integrity, customer satisfaction, and quality has remained unchanged.

The year gone by has been one of progress and learning. We operated in an environment that presented both opportunities and challenges. India's continued focus on infrastructure, manufacturing, renewable energy, and industrial development created significant demand for specialised engineering talent. At the same time, customers increasingly looked for partners who could deliver not just manpower, but dependable solutions with speed, quality, and accountability. I am pleased that Aarvi Encon continued to meet these expectations and further strengthened its position as a trusted engineering and technical manpower partner.

Our business has always been about people. Every engineer we deploy, every project we support, and every client we serve contributes to the development of industries that drive economic progress. Whether it is an oil refinery, a renewable energy project, a manufacturing facility, a metro rail system, or a large infrastructure development, our professionals work quietly behind the scenes, helping transform plans into reality. It gives me immense pride to know that the work of Aarvi Encon continues to contribute to nation-building, both in India and across international markets.

One of the greatest strengths of our Company is the trust we have earned over the years. Many of our customers have been associated with us for decades, and that trust has been built through consistent delivery, transparency, and an unwavering commitment to quality. We believe that every successful assignment strengthens a relationship, and every relationship creates opportunities for future growth. It is this philosophy that continues to differentiate Aarvi Encon in a highly competitive industry.

I am equally proud of the progress we have made in expanding our presence beyond India. Our international operations continue to grow steadily across the Middle East and Southeast Asia, creating new opportunities while strengthening the resilience of our business. Each new geography teaches us valuable lessons, broadens our capabilities, and enables us to serve customers on a larger platform. While expansion remains an important part of our strategy, we will always pursue it with prudence, discipline, and a long-term perspective.

As industries embrace digitalisation, automation, artificial intelligence, and sustainability, the nature of engineering services is evolving rapidly. We see this transformation as an opportunity to continuously improve ourselves. By investing in technology, strengthening our engineering capabilities, and developing our workforce, we are preparing Aarvi Encon not only for today's requirements but also for the opportunities of tomorrow. Our focus remains on creating solutions that add value to our customers while enhancing operational excellence across the organisation.

Behind every achievement of the Company stands an extraordinary team of people. I have always believed that the success of any organisation depends not on its infrastructure but on the character, competence, and commitment of its people. I sincerely thank every member of the Aarvi Encon family for their hard work, dedication, and professionalism. Their willingness to take ownership, adapt to changing circumstances, and consistently deliver excellence continues to be the foundation of our success.

Equally, I would like to express my heartfelt gratitude to our customers for placing their confidence in us year after year. Their continued trust inspires us to constantly raise our standards and strengthen our capabilities. I also thank our shareholders, bankers, business associates, auditors, and regulatory authorities for their continued support and encouragement.

As a responsible corporate citizen, we remain committed to creating value beyond business. Through our Corporate Social Responsibility initiatives, we continue to support healthcare, education, environmental sustainability, women empowerment, and community development. We firmly believe that lasting success is measured not only by business achievements but also by the positive difference we make in society.

Looking ahead, I am optimistic about the future. India is entering an exciting phase of economic growth, driven by infrastructure creation, industrial expansion, manufacturing, clean energy, and technological advancement. At the same time, increasing investments across international markets provide new avenues for growth. With our experienced leadership team, dedicated workforce, diversified customer base, and strong values, I believe Aarvi Encon is well positioned to participate meaningfully in this journey.

As we approach four decades of excellence, our vision remains clear—to build an organisation that is admired for its integrity, trusted for its expertise, respected for its people, and recognised for creating sustainable value for all stakeholders. We will continue to move forward with humility, determination, and the confidence that comes from staying true to the principles on which Aarvi Encon was founded.

Thank you for your continued trust and support. We look forward to sharing the next chapter of our journey with all of you.

Warm Regards,

Sd/-
Virendra M. Sanghavi
Managing Director

Executive Director & CFO's Message

Jaydev Sanghavi
Executive Director & CFO

Dear Shareholders,

Every set of financial results tells a story, but it does not always show the effort behind them. Behind the numbers are many small decisions, long hours, teamwork, and a steady focus on doing things the right way. The performance of Aarvi Encon Limited this year reflects exactly that — the trust of our customers, the commitment of our employees, the support of our stakeholders, and the discipline with which we have built our business.

FY 2025–26 has been an important year for the Company. Even as investments continued across infrastructure, manufacturing, conventional and renewable energy, and industrial development, we stayed focused on profitable growth and on protecting the financial strength that has always been central to our approach. We have never believed in growth for its own sake. Our aim has always been to build long-term value in a way that is sustainable and responsible.

On a consolidated basis, the Company recorded Revenue from Operations of ₹649.85 crore, compared with ₹510.39 crore in the previous year. This strong growth was driven by an expanding customer base, deeper engagement with existing clients, improved execution capabilities, and the rising demand for specialised engineering, technical manpower, and integrated workforce solutions across diverse industries. Reflecting the improvement in operational performance, EBITDA increased significantly to ₹24.93 crore from ₹15.86 crore in the previous year, demonstrating the Company's continued focus on operational efficiency, disciplined execution, and sustainable profitability.

Profitability improved meaningfully during the year. Profit Before Tax rose to ₹19.93 crore from ₹11.22 crore in the previous year, while Profit After Tax increased to ₹17.62 crore from ₹10.04 crore in FY 2024–25. Basic Earnings Per Share also improved to ₹11.90. These results were supported by disciplined execution, better operating efficiency, and careful financial management.

Our balance sheet also strengthened during the year. Net worth increased to ₹137.29 crore, which gives the Company a stronger base for future growth. Operating cash flows improved as well, helped by tighter working capital management, better collections, and prudent use of resources. This has improved our financial flexibility and gives us room to invest in future opportunities while keeping our capital structure healthy.

Our international business continued to be one of the key growth drivers. Revenue from international operations grew by 73%, while Profit After Tax from overseas businesses increased by 179% year-on-year. This reflects the progress we have made in executing our international strategy. During the year, we secured important manpower and engineering services contracts in the United Arab Emirates and Indonesia, further strengthening our presence in these markets. We also opened a new office in Malaysia to support our growing international business and continued our efforts to stabilise operations in Qatar. Along with our presence in Oman, Saudi Arabia, and other markets in the Middle East and Southeast Asia, these steps have helped us diversify our revenue base and position the Company for larger opportunities across the region.

In India, we continued to strengthen our execution capabilities with the establishment of our new engineering office in Chennai, which is expected to enhance our engineering support and project execution capabilities while enabling us to serve customers more effectively. As part of our long-term growth strategy, we aim to develop this office into a dedicated engineering centre with a team of approximately 500 professionals over the next three to four years. We also expanded our presence in the renewable energy sector by deploying specialised technical manpower for Operation & Maintenance (O&M) activities across solar module and solar cell manufacturing projects for several customers. At the same time, we continued to increase the contribution of higher-margin O&M services within our overall business portfolio, supporting improved earnings quality and long-term sustainable growth.

One of the notable achievements recently was the successful implementation of the Pradhan Mantri Viksit Bharat Rozgar Yojana (PM-VBRY). Through careful planning, timely execution, and close coordination across teams, the Company was able to make effective use of this Government initiative and secure meaningful monetary benefits under the scheme. This reflects our ability to act quickly, stay compliant, and manage resources responsibly while creating value for the Company and its stakeholders.

At Aarvi Encon, we believe that financial performance alone is not enough. A responsible business must also contribute to the communities around it. During the year, our CSR efforts continued to focus on healthcare, environmental sustainability, education, women empowerment, and community development. Our support to organisations such as Saifee Hospital, SankalpTaru Foundation, and Shree Kasturba Stri Vikasgruh reflects our commitment to making a positive difference and contributing to inclusive growth.

Strong performance must be supported by strong governance. During the year, we further strengthened our internal financial controls, improved compliance processes, enhanced financial reporting systems, and reinforced our enterprise risk management framework. These steps have improved transparency, strengthened stakeholder confidence, and created a solid governance base for our long-term plans.

Looking ahead, we see encouraging opportunities. India's continued focus on infrastructure, manufacturing, renewable energy, industrial growth, and employment generation creates a strong environment for our business. At the same time, our growing international presence gives us access to attractive markets and new sources of growth. By maintaining a balanced mix of domestic and international operations, we have built a business model that is better placed to perform across different economic cycles.

Our priorities remain clear. Over the medium term, we aim to build a balanced and resilient business portfolio by strengthening our core staffing business, expanding our higher-value service offerings, and increasing our international presence. We aspire to achieve a business mix of approximately 60% India Staffing Services, 20% India Operation & Maintenance (O&M) Services, and 20% International Business. We believe this diversified business model will enhance profitability, strengthen recurring revenue streams, and improve the Company's resilience across business cycles. Supported by disciplined financial management, operational excellence, investments in technology and digital capabilities, and the continuous development of our people, we remain committed to delivering sustainable, profitable growth and creating long-term value for our shareholders.

Before I close, I would like to thank every member of the Aarvi Encon family. The progress we have made this year is the result of the hard work, professionalism, and commitment shown by our employees across all locations. I also thank our Directors, customers, shareholders, banking partners, business associates, auditors, and regulatory authorities for their continued trust, support, and encouragement.

As custodians of your Company, we remain committed to building an organisation that is financially strong, operationally agile, technologically progressive, and respected across markets. As Aarvi Encon moves closer to four decades of excellence, we do so with confidence, knowing that our strength lies not only in our financial results, but also in the values, integrity, and relationships that have shaped our journey since the beginning.

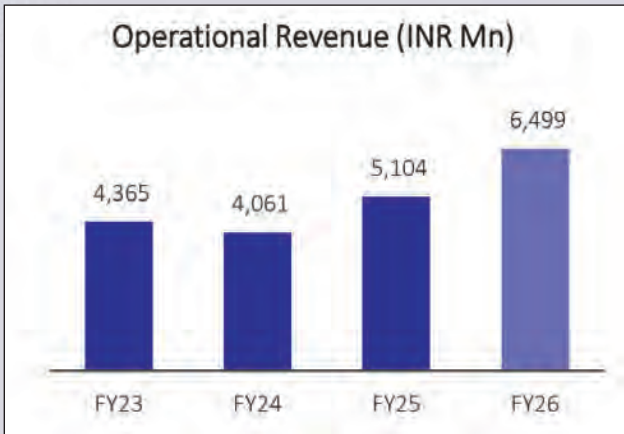
Warm Regards,

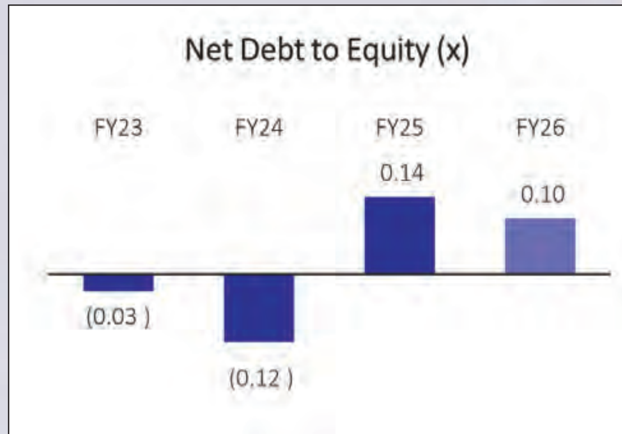
Sd/-

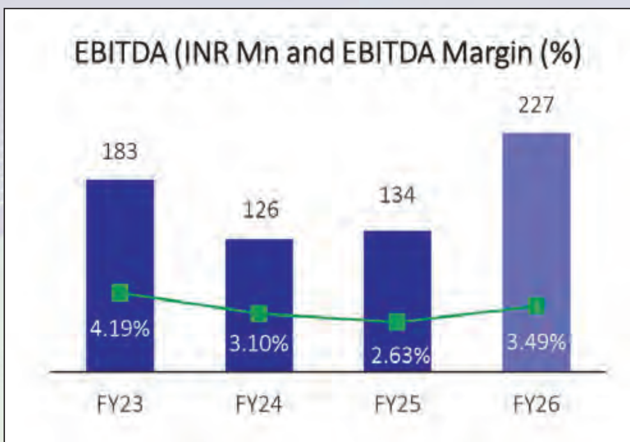
Jaydev Sanghavi

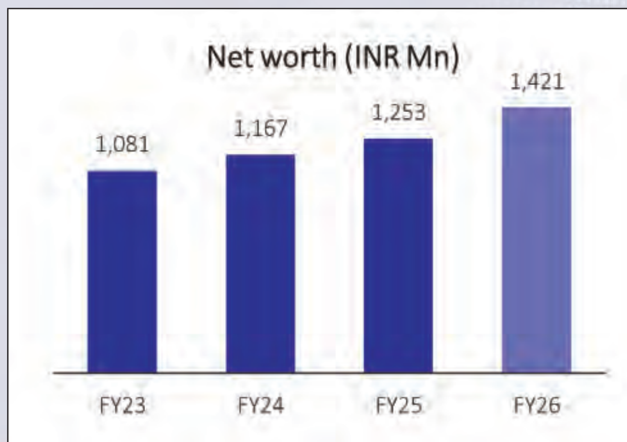
Executive Director & Chief Financial Officer

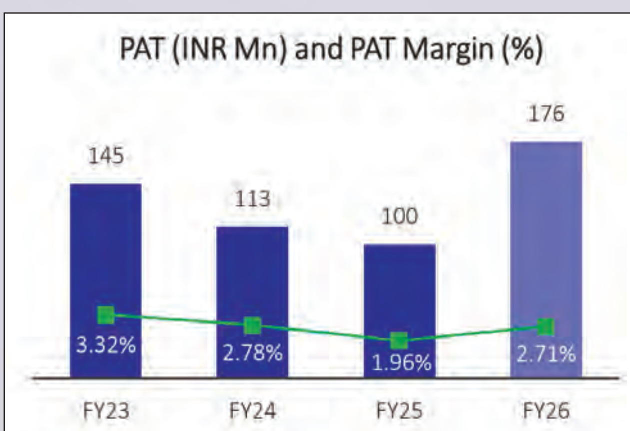
Aarvi Track Record of delivering Consistent Growth with Accelerated Profitablity

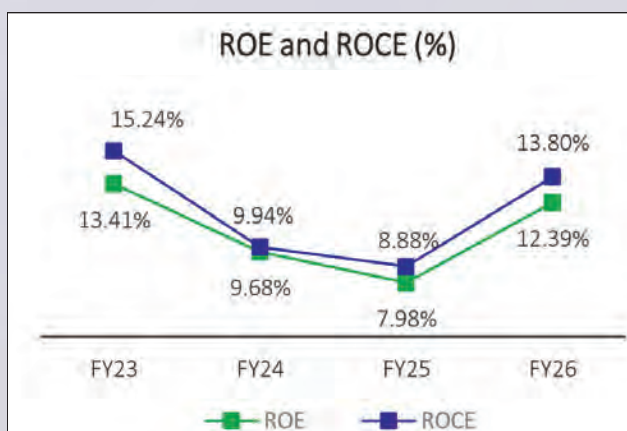












Geographical Footprint

Industries we Served

Creating Value for Clients since 1987

38

Years of

Delivering Engineering & Manpower Outsourcing Services.

Our Strength and Area of Expertise

"Our Strength Creates More Success"

At Aarvi Encon Limited, our sustained success is driven by over 38 years of industry experience, customer trust, operational excellence, and a commitment to delivering value. Our core strengths continue to enhance our competitiveness and support sustainable growth.

Established Track Record

With over three decades of experience, the Company has built a reputation for reliability, consistent execution, and the ability to adapt to changing market conditions while maintaining long-term client confidence.

Strong Leadership and Experienced Management

The Company is guided by the strategic leadership of Mr. Virendra D. Sanghavi, Managing Director, and Mr. Jaydev V. Sanghavi, Executive Director & CFO, supported by an experienced management team with expertise across engineering, operations, project management, technical staffing, and business development.

Robust Organisational Structure

A well-defined organisational framework, empowered management, and effective governance ensure accountability, operational efficiency, timely decision-making, and seamless business continuity.

Diversified Service Portfolio

The Company provides integrated engineering, project management, operations & maintenance, and technical manpower solutions across the project lifecycle, serving the Oil & Gas, Refineries & Petrochemicals, Power & Renewable Energy, Pipelines, Infrastructure, Metals & Minerals, Fertilizers & Chemicals, Manufacturing, and Defence sectors in India and overseas.

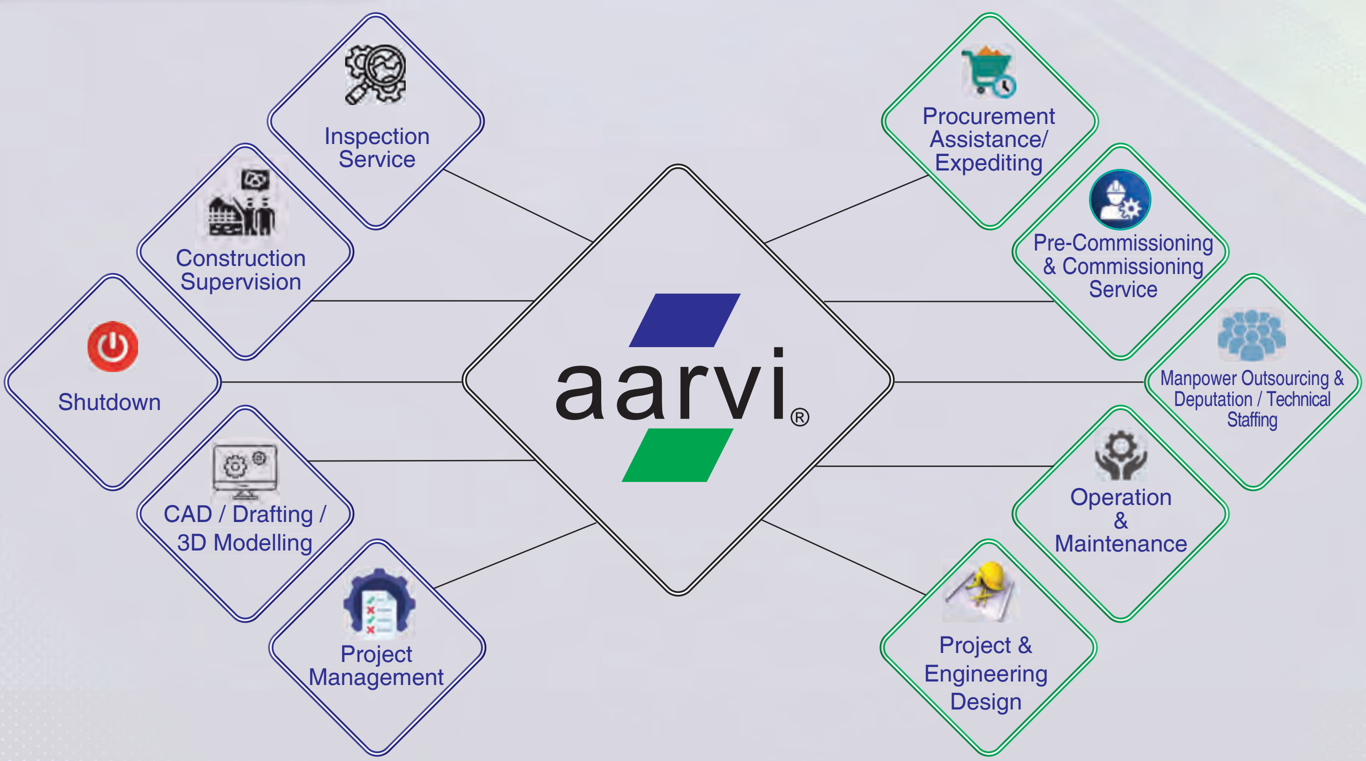
Customer-Centric Approach

Our focus on quality, timely execution, and cost-effective solutions has fostered enduring relationships with leading domestic and international clients.

Commitment to Quality, Safety and Compliance

We uphold the highest standards of quality, safety, integrity, and regulatory compliance through continuous process improvement, employee development, and adherence to industry best practices.

Area of Expertise



1987 – Incorporated and Started Engineering Consultancy Services

1996 – Started Technical Manpower Deputation

1997 – Deputed More than 300 Engineers to Reliance Petroleum

1998 – DHDS & SRU Commissioning Contract from HPCL Refinery

2007 – Employee Strength crossed 1000 mark

2011 – Operation & Maintenance Services started with HMPL

2013 – Rated “SME-1” by CRISIL/ Crossed 2000 personnel in deputation

2015 – Marked Turnover over Rs 100 Cr/ Opened Subsidiary in UAE

2017 – Deployed more than 3000 Engineers. Listed on NSE Emerge Platform

2018 – Marked Turnover over 200 Cr. /Partnered with Bon Accord Employment Services at UAE.

2020 – Listed on Main Board of NSE Ltd.

2021 – Creating new opportunity internationally by opening branch offices in Oman & Indonesia

2022 – Incorporated Joint Venture/ Associate Company in Qatar and Deployed more than 6000 engineers

2023 – Acquired M N R Technical Staffing Company in Dubai

2024 – Incorporate Wholly Owned Subsidary at Saudi Arabia “Aarvi Energy Company”

2025 – Marked Turnover over ₹ 500 Cr.

Our Esteemed Clients

इंडियनऑयल	Reliance	हिन्दुस्तान पेट्रोलियम HP	GNFC	Shell	HMEL	HURL
Bharat Petroleum energising lives	CPCL	MNGL	L&T	vikramsolar	wood.	Worley energy | chemicals | resources
SAIPEM	GUJARAT GAS	TECNIMONT	EIL ENGINEERS INDIA LIMITED	DEEPAK NITRITE RESPONSIBLE CHEMISTRY	JINDAL POWER	MAHANAGAR GAS
TATA TATA CHEMICALS LIMITED	BUMIARMADA	Brilliant BIO PHARMA	GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED	T.EN TECHNIP ENERGIES	torrent GAS	GUJARAT INDUSTRIES POWER CO. LTD.

Awards

2026 – Powering Global Energy and Infrastructure Projects Through Engineering Talent.
Awarded “Change Makers Summit 2026” an initiative by Times Ascent (The Times of India)

NOTICE OF 38TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY

Notice is hereby given that 38th Annual General Meeting (Eighth AGM post IPO of the Company) ("AGM/38th AGM") of the members of **Aarvi Encon Limited** ("the Company") will be held on **Friday, August 14, 2026 at 11:00 A.M. (IST),** through Video Conference ("VC") / Other Audio-Visual Means ("OAVM") Facility in conformity with the regulatory provisions and circulars issued by the Ministry of Corporate Affairs ("MCA") to transact the following business:

ORDINARY BUSINESS:

1. **To adopt the Audited Standalone Financial Statements of the Company:**
   To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and Auditors thereon.
2. **To adopt the Audited Consolidated Financial Statement of the Company:**
   To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Report of the Auditors thereon.
3. **To Declare Final Dividend:**
   To declare a final dividend of ₹ 2/- (Rupees Two Only) per equity share for the financial year ended March 31, 2026.
4. **To re-appoint Mr. Jaydev Sanghavi as a Director, liable to retire by rotation:**
   To appoint a director in place of Mr. Jaydev Sanghavi (DIN: 00759042), who retires by rotation and being eligible, offers himself for re appointment.

By Order of the Board of Directors
For **Aarvi Encon Limited**
Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
ICSI Membership no: A59748
Place: Mumbai, India
Date: July 6, 2026

Registered Office:
B1-603, 6th Floor, Marathon Innova,
Marathon Nextgen Complex,
Opp. Peninsula Park, Lower Parel,
Mumbai – 400 013, Maharashtra, India

CIN: L29290MH1987PLC045499
Tel: +91 022-4049 9999
Email: info@aarviencon.com
Website: www.aarviencon.com

NOTES:

1. Ministry of Corporate Affairs ("MCA") has vide its General Circular dated April 8, 2020, April 13, 2020, May 5, 2020, and other circulars issued from time to time in this regard, the latest one being dated September 22, 2025 respectively (collectively referred to as "MCA Circulars"), permitted the companies to conduct Annual General Meeting ("AGM") through Video Conferencing Facility/ Other Audio Visual Means ("VC/OAVM"), without physical presence of Members at a common venue.

   In accordance with the applicable provisions of the Companies Act, 2013 ("the Act"), MCA Circulars, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with circulars issued by the SEBI from time to time, the 38th AGM of the Company is being held through VC/OAVM on Friday, August 14, 2026 at 11:00 A.M. (IST). The deemed venue for the AGM shall be the Registered Office of the Company.
2. In terms of the applicable provisions of the Act, SEBI Listing Regulations read with MCA Circulars and SEBI Circulars, the Annual Report including the Notice of the 38th AGM will also be available on the website of the Company at www.aarviencon.com. The same can also be accessed from the website of the Stock Exchange where the shares of the Company are listed i.e. National Stock Exchange of India Limited www.nseindia.com and on the website of the agency providing e-voting facility i.e. National Securities Depository Limited ("NSDL") at www.evoting.nsdl.com.
3. As the AGM is being held through VC/OAVM, in compliance with the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility to appoint proxy under Section 105 of the Act is not available for the AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. The Institutional/Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/Corporate Members are requested to send a scanned copy (PDF/ JPEG format) of the Board Resolution/ Authority Letter along with the attested specimen signature of the duly authorised signatory(ies) who are authorised to attend and vote at the AGM, pursuant to Section 113 of the Act, to the Scrutinizer by email at amrita.nautiyal@gmail.com with a copy marked to evoting@nsdl.co.in.

5. The Members may join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility to participate at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. The large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. can attend the AGM without any restriction on account of 'first come first served' basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the Quorum under Section 103 of the Act.

7. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Company has provided the facility to Members to exercise their right to vote by electronic means through remote-voting and e-Voting during the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The process and instructions for voting through electronic means are provided in the subsequent paragraphs.

8. As there is no special business proposed to be transacted at this AGM, the Explanatory Statement pursuant to Section 102 of the Act, is not applicable. Further, the relevant details as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), in respect of Directors seeking re-appointment at this AGM is annexed as ***Annexure I***.

9. All documents referred to in the accompanying Notice and the Statements, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act are available electronically for inspection by the members. Any member seeking inspection of such documents may write an email to cs@aarviencon.com.

10. Electronic copy of the Annual Report and Notice of the 38th AGM of the Company, *inter-alia,* indicating the process and manner of electronic voting ("e-voting") is being sent to all the members whose email addresses are registered with the Company/M/s. Bigshare Services Private Limited ("RTA")/ Depository Participants(s) ("DPs") for communication purposes unless any member has requested for a hard copy of the same. Additionally, in accordance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter is being sent those shareholders whose e-mail addresses are not registered with Company/RTA/DPs providing the weblink of Company's website from where the Annual Report for FY 2025-26 can be accessed.

11. **Dividend**

    The Board of Directors at its meeting held on May 22, 2026, has recommended a final dividend of ₹2/- per equity share (20%). The Record date fixed for determining entitlement of Members to final dividend for the financial year ended March 31, 2026, if approved at the AGM, is Friday, August 7, 2026 ("Record Date").

    If the final dividend is approved at the AGM, payment of such dividend subject to deduction of tax at source ("TDS") will be made on or before Saturday, September 12, 2026, as under.

    Payment of Dividend through electronic means

    Members holding shares in dematerialised mode are requested to register / update their complete bank details with their DPs, by submitting forms and documents as may be required by the DPs. Payment of dividend shall be made through electronic mode to those members, holding shares in dematerialised mode, who have updated their bank account details

    Tax Deductible at Source (TDS) / Withholding tax

    Pursuant to the requirement of the Income-Tax Act, 2025, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its members.

    The TDS / withholding tax rate would vary depending on the residential status of the member and documents submitted by the member with the Company /RTA / DPs. Members are therefore requested to update their residential status with DPs or in case shares are held in physical mode, with Company / RTA on or before 5 pm (IST) Friday, August 7, 2026, to enable the Company to determine the appropriate TDS / withholding tax rate, as applicable.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc. to their DPs;

13. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 01, 2019. All the securities of the Company are in dematerialized form.

14. As per the provisions of Section 72 of the Act, the facility for making nomination 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. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the RTA's website https://www.bigshareonline.com/Resources.aspx. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form.

15. Members holding shares in dematerialized mode are requested to notify immediately in case of any change in their email addresses and other communication details to the DPs to receive the quarterly reports and other communications via email.

    In case any member is desirous of obtaining hard copy of the Annual Report for the financial year 2025-26 along with the Notice of the 38th AGM of the Company, may send a request to the Company's email address at cs@aarviencon.com mentioning Folio No./ DP ID and Client ID.

16. SEBI has introduced Online Dispute Resolution ("ODR"), which is in addition to the existing SEBI Complaints Redressal System ("SCORES") platform, which can be utilized by the investors and the Company for dispute resolution. Please note that the investors can initiate dispute resolution through the ODR portal only after exhausting the option to resolve dispute with the Company and on the SCORES platform. The SMARTODR Portal can be accessed at https://smartodr.in/login. The detailed circulars and process are also available on the website of the Company at www.arviencon.com.

17. To safeguard against fraudulent transactions, members are encouraged to exercise appropriate due diligence and promptly inform the Company of any change in their address or the demise of a member. Members are also advised to avoid keeping their demat account(s) inactive for extended periods. It is recommended that they regularly obtain statements of holdings from their respective DPs and verify the accuracy of their holdings on a periodic basis.

18. Non-Resident Indian (NRI) members are requested to promptly notify the Company at cs@aarviencon.com, its RTA or their respective DPs as applicable, of any change in their residential status upon returning to India for permanent settlement.

19. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or its RTA quoting their Folio number or their Client ID number with DPID number, as the case may be.

20. Members are requested to note that dividend which has been declared but not paid and / or claimed within thirty days from declaration shall be transferred to "Unpaid Dividend Account" of the Company's within seven days from expiry of said thirty days in accordance with section 124 of the Act.

    Further, Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF Rules.

21. Members who wish to claim dividend, which remain unclaimed, are requested to correspond with the RTA of the Company viz. M/s. Bigshare Services Private Limited, at their registered address or email id: aliya@bigshareonline.com; investor@bigshareonline.com.

22. **Voting**

    In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, SS-2 and Regulation 44 of the SEBI Listing Regulations and applicable circulars, the Company is pleased to provide its Members the facility to cast their votes before and during the 38th AGM on the resolutions set forth in the Notice of the 38th AGM using electronic voting system ("remote e-voting"), provided by NSDL and the business may be transacted through such voting. The voting rights of members shall be in proportion to their shares in the paid–up equity share capital of the Company as on the cut–off date Friday, August 7, 2026.

    The remote e-voting period begins Tuesday, August 11, 2026 (9.00 AM IST) and ends on Thursday, August 13, 2026 (5.00 PM IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Friday, August 7, 2026, may cast their votes electronically. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

Members will be provided with the facility for voting through an electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolutions for which the Member has already casted the vote through remote e-voting.

In terms of provisions of Section 107 of the Act, since the Company is providing the facility of remote e–voting to the members, there shall be no voting by show of hands at the AGM. If a Member cast votes by both modes i.e. remote e–voting and e–voting system at the AGM, then voting done through remote e–voting shall prevail and voting done through e–voting system at the AGM shall be treated as invalid.

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of 38th AGM and holds shares as of the cutoff date i.e. Friday, August 7, 2026, may obtain the login ID and password by sending a request at cs@aarviencon.com or aliya@bigshareonline.com (RTA email id). However, if a Member is already registered with the RTA of the Company for e-voting, then he/she can use existing user id and password/ PIN for casting the vote and a person who is not a member as on the cut–off date Friday, August 7, 2026 should treat this Notice for information purposes only.

In case of joint shareholders, the members whose name appears as the first holder as per the Register of members of the company shall be entitled to vote at the AGM.

23. Members seeking technical assistance in using the technology platform before or during the meeting may contact the NSDL e-Voting Helpdesk. In all communications, members are requested to quote their Folio Number / DP ID–Client ID and the relevant e-Voting Event Number (EVEN) to enable prompt assistance.

24. Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request in advance atleast 3 (three) days prior to Meeting i.e. on or before Tuesday, August 11, 2026 mentioning their name, demat account number/folio number, email id, mobile number at cs@aarviencon.com. Only those Members who have pre-registered themselves as a speaker on the dedicated email id cs@aarviencon.com will be allowed to express their views/ask questions during the AGM.

The Members who do not wish to speak during the AGM but have queries may send their queries in advance i.e. on or before Monday, August 10, 2026 mentioning their name, demat account number/folio number, email id, mobile number at cs@aarviencon.com. These queries will be replied to by the Company suitably by email.

Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panellist via active chat-board during the meeting.

Procedure and instructions of remote e-voting, e-voting and Joining of AGM are detailed below:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday, August 11, 2026 (9.00 AM IST) and ends on Thursday, August 13, 2026 (5.00 PM IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, August 7, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, August 7, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. 

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to amrita.nautiyal@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@aarviencon.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@aarviencon.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH

VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@aarviencon.com. The same will be replied by the company suitably.

By Order of the Board of Directors
For **Aarvi Encon Limited**
Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
ICSI Membership no: A59748
Place: Mumbai, India
Date: July 6, 2026

Registered Office:
B1-603, 6th Floor, Marathon Innova,
Marathon Nextgen Complex,
Opp. Peninsula Park, Lower Parel,
Mumbai – 400 013, Maharashtra, India

CIN: L29290MH1987PLC045499
Tel: +91 022-4049 9999
Email: info@aarviencon.com
Website: www.aarviencon.com

ANNEXURE A

Details of Director seeking appointment / re-appointment/ fixation of remuneration at the 38th Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SS-2]

Name of the Director	**Mr. Jaydev V. Sanghavi**
DIN	00759042
Age	55 years
Date of Birth	17/05/1971
Nationality	Indian
Qualifications	Chemical Engineering Graduate from Mumbai University.
Experience including expertise in specific functional areas / Brief Resume	He is a Chemical Engineering Graduate from Mumbai University joined Aarvi Encon Pvt. Ltd. In 1992. Since then he has handled various assignments as a Project Coordinator, Business Development Manager, General Manager (Operations) and now Executive Director. He has played a crucial role in developing strategic Business Tie-ups and delivering several large & complex projects successfully. In 1996 he identified a niche Business Opportunity in the project consulting of HR and thus came about a Manpower Supply division which he heads today. He is biggest contributor in establishing & expanding Manpower Division. He has been instrumental in growth of Aarvi Encon. Under his leadership the company has become largest Technical Staffing company in India with offices at major location in India. He is instrumental in setting up offices in Qatar, UAE, Saudi Arabia. He has more than 25 years of experience in Sales, Marketing, Operations and Finance.
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	As per the Board Resolution dated May 26, 2022 and Members Resolution dated July 29, 2022.
Remuneration last drawn	1.68 Cr. P.A. (Rupees One Crore Sixty Eight Lakhs Only)
Date of first appointment on the Board	November 09, 2005
Shareholding in the company	21,82,500 (14.74%)
relationship with other Directors, Manager and other Key Managerial Personnel of the company	He is the son of Mr. Virendra D. Sanghavi, Managing Director of the Company. Except Mr. Virendra D. Sanghavi, he is not related to any other director and/or KMP of the company.
Number of Meetings of the Board attended during the year	There were total 7 (Seven board meetings held during the FY 2025-26. He has attended all 7 board meetings during the year.
Justification for re- appointment as Independent Directors	NA
Other Directorships, Membership / Chairmanship of Committees of other Boards * * Directorships include directorships of other Indian Public Companies And Committee memberships include only Audit Committee and Stakeholders' Relationship Committee (whether listed or not)	He is a Director in the following Companies: 1. Aarvi Engineering & Consultants Pvt. Ltd. 3. Beetle Ventures Private Limited. 3. Energyjobz Services Private Limited. 4. Meena Agency Limited

For and on behalf of Aarvi Encon Limited

Sd/-
LEELA S. BISHT
COMPANY SECRETARY AND COMPLIANCE OFFICER

DIRECTORS' REPORT

Dear Members,

The Board of Directors of the Company is pleased to present the Thirty Eighth (38th) Board Report together with the audited standalone and consolidated financial statements of Aarvi Encon Limited ("the Company/Aarvi") for the financial year ended March 31, 2026 ("the year/FY 2025-26").

Corporate Overview:

Aarvi Encon Limited, established in 1987 and headquartered in Mumbai, is a leading provider of Technical Manpower Outsourcing and Engineering Services. Over the years, the Company has built a strong reputation for delivering skilled manpower and project support solutions to a diverse range of industries across India and international markets.

The Company caters to sectors such as Oil & Gas, Refineries, Petrochemicals, Power, Renewable Energy, Infrastructure, Fertilizers, Metals & Mining, Railways, Telecom, and other industrial segments. With its extensive industry experience and commitment to quality, Aarvi has developed long-standing relationships with several renowned public and private sector organizations.

During the FY 2025-26, the Company continued to strengthen its market position by focusing on operational excellence, customer satisfaction, and expansion into new business opportunities. The growing investments in infrastructure, manufacturing, conventional energy, and renewable energy sectors provided significant opportunities for business growth, which the Company successfully leveraged through its experienced workforce and strong execution capabilities.

With a presence across India and overseas markets, Aarvi remains committed to sustainable growth, innovation, and value creation for all stakeholders. The Company continues to focus on enhancing service quality, strengthening client relationships, and expanding its geographical footprint while maintaining high standards of corporate governance and business ethics.

1. FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The key highlights of the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2026, in comparison with the previous financial year ended March 31, 2025, are summarized below:

(₹ In Lakhs)

Particulars	Consolidated		Standalone	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Revenue from Operations	64,985.18	51,038.90	56,992.27	46,408.10
Other Income	224.55	247.59	286.45	304.19
Total Income	**65,209.73**	**51,286.49**	**57,278.72**	**46,712.29**
Less: Total Expenses	63,182.53	50,164.55	55,943.95	45,851.11
Profit before tax	**1,993.46**	**1,121.93**	**1,301.03**	**861.17**
Less: Tax Expenses	231.41	117.48	160.74	87.69
Profit after taxes	**1,762.05**	**1,004.45**	**1,140.29**	**773.49**
EPS -Basic - Diluted	 11.90 11.79	 6.79 6.73	 7.70 7.63	 5.23 5.18

Standalone and Consolidated Financial Statements

Pursuant to the provisions of Section 129 and Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, have been prepared in accordance with the Indian Accounting Standards ("Ind AS").

The financial statements have been prepared using appropriate accounting policies, consistently applied, and based on prudent judgments and estimates to present a true and fair view of the state of affairs of the Company, its profit, cash flows and changes in equity for the financial year ended March 31, 2026. The accompanying Notes to the Standalone and Consolidated Financial Statements form an integral part of the Financial Statements.

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS/ STATE OF AFFAIRS:

The Board of Directors is pleased to present the operational and financial performance of the Company for the financial year ended March 31, 2026.

Standalone Performance

During the year, the Company recorded revenue from operations of ₹569.92 crore, registering a growth of 22.81% as compared to ₹464.08 crore in the previous financial year.

The Company reported a Profit After Tax (“PAT”) of ₹11.40 crore, as against ₹7.73 crore in the previous financial year, reflecting a healthy increase in profitability.

Consolidated Performance

Pursuant to the provisions of Section 129(3) of the Act read with the applicable Indian Accounting Standards, the Audited Consolidated Financial Statements of the Company and its subsidiaries form part of the Annual Report.

On a consolidated basis, the Company reported revenue from operations of ₹649.85 crore, representing a growth of 27.33% over ₹510.38 crore reported in the previous financial year.

The Consolidated PAT increased to ₹17.62 crore as compared to ₹10.04 crore in the previous financial year.

The improvement in profitability was driven by higher business volumes, improved operational efficiencies, better execution across projects, and sustained performance across the geographies in which the Company operates.

3. SHARE CAPITAL

As on March 31, 2026, the authorized share capital of the Company was ₹ 20,00,00,000 (Rupees Twenty-Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹ 10/- (Rupees Ten Only) each. During the year, there was no change in the authorised share capital of the Company.

The issued, subscribed and paid-up share capital of the Company as on March 31, 2026 was ₹ 14,81,07,000 (Rupees Fourteen Crore Eighty One Lakhs Seven Thousand Only) comprising 1,48,10,700 (One Crore Forty Eight Lakh Ten Thousand Seven Hundred) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

Subsequent to the closure of the year till the date of this report, the Nomination and Remuneration Committee of the Board of Directors of the Company has allotted 31,900 equity shares of ₹ 10/- each of the Company on April 18, 2026 and 1,500 equity shares of ₹ 10/- each of the Company on May 30, 2026, pursuant to exercise of Employee Stock Options under Aarvi Encon Limited Employee Stock Option Plan, 2022 by the eligible employees.

Consequently as on the date of this Report, effective from April 18, 2026, the issued, subscribed and paid-up share capital of the Company stands increased to ₹ 14,84,41,000/- (Rupees Fourteen Crore Eighty-Four Lakhs Forty-One Thousand Only) divided into 1,48,44,100 (One Crore Forty-Eight Lakh Forty-Four Thousand One Hundred) equity shares of face value of ₹ 10/- (Rupees Ten Only) each.

During the year, the company has not issued any Equity Shares with differential rights as to dividend, voting or otherwise.

4. DIVIDEND

The Board of Directors of the Company at its meeting held on May 29, 2023, voluntarily adopted a Dividend Distribution Policy (“DDP”) of the Company, which sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the Shareholders of the Company.

Based on the Company’s performance, DDP and keeping in mind the shareholders’ interest, the Board of Directors of the Company at its meeting held on May 22, 2026, has recommended a Final Dividend of ₹ 2/- per fully paid- up Equity Share of the face value of ₹ 10/- each for the year ended March 31, 2026, subject to the approval of the Members at the ensuing 38th Annual General Meeting (“AGM/38th AGM”). The dividend once approved by the Shareholders will be paid within 30 days.

The said dividend, if approved by the Shareholders at the ensuing AGM will be paid to those Shareholders whose name appear on the register of Members (including Beneficial Owners) of the Company as at the end of Friday, August 7, 2026. The proposed dividend would result in an outflow of approximately ₹297lakhs (excluding applicable taxes), subject to approval of the Shareholders at the ensuing AGM.

In view of the changes made under the Income-Tax Act, 2025, by the Finance Act, 2020, the dividend paid or distributed by the Company shall be taxable in the hands of the members. Accordingly, the Company shall make the payment of the Dividend after the deduction of tax at source to the members.

5. AARVI ENCON LIMITED EMPLOYEE STOCK OPTION PLAN, 2022

At Aarvi, we believe that the employees are the key pillar of strength to any organizational growth. In order to retain and incentives key talent, for driving long term objectives of the Company and ensuring that employee payoffs match the long gestation period of certain key initiative whilst simultaneously fostering ownership behaviour and collaboration amongst employees, the members of the Company at the AGM held on July 29, 2022, adopted Aarvi Encon Limited Employee Stock Option Plan, 2022 ("ESOP 2022").

The Nomination and Remuneration Committee of the Company*, inter alia,* administers and monitors this ESOP 2022 in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations").

The Company has also received a certificate from the Secretarial Auditor of the Company confirming that the ESOP 2022 is implemented in line with the SEBI SBEB Regulations. The certificate of the secretarial auditor can be accessed on the following link https://aarviencon.com/investors/shareholdersinformation-and-announcments.

Disclosures required under Regulation 14 of the SEBI SBEB Regulations, read with the applicable provisions of the Act, in relation to ESOP 2022 is attached to this report as ***Annexure 1*** and is available on the Company's website at https://aarviencon.com/investors/shareholdersinformation-and-announcments.

6. CREDIT RATING

CRISIL has reaffirmed its ratings i.e. BBB/ STABLE for long term borrowings and A3 + for short term borrowings. The Credit Rating derives strength from the operational track record of the Company, cost competitiveness, flexibility derived from diversified services and the Company's effort to reduce cost and to improve cost efficiency.

7. INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has established and maintained adequate internal financial controls commensurate with the size, scale, and complexity of its operations. The internal financial control framework is designed to provide reasonable assurance regarding the reliability of financial reporting, safeguarding of assets, prevention and detection of frauds and errors, compliance with applicable laws and regulations, and the orderly and efficient conduct of business operations.

The Company has implemented appropriate policies, procedures, and controls covering key business processes, financial reporting, information systems, statutory compliances, and operational activities. These controls are periodically reviewed and strengthened in line with changes in business requirements, regulatory developments, and industry best practices.

The Internal Auditors conduct regular audits of various functions and processes across the organization. Their observations and recommendations were reviewed by the Audit Committee and the management, and necessary corrective actions has been taken to further enhance the effectiveness of the internal control environment.

The Audit Committee periodically reviews the adequacy and effectiveness of the Company's internal financial control systems and monitors the implementation of audit recommendations. Based on such reviews and the assessments carried out by the management, the Board is of the opinion that the Company has adequate internal financial controls with reference to the Financial Statements and that such controls were operating effectively during the year.

No material weakness in the design or operation of the internal financial controls was observed during the year.

8. SUBSIDIARY, ASSOCIATES AND JOINT VENTURES COMPANIES

As on March 31, 2026, the Company has a diversified international presence through its subsidiaries and associate companies across the Middle East, Europe and Asia. The Company has Four subsidiary Companies, two step down subsidiaries and one Associate Company as on March 31, 2026.

During the year, Aarvi Encon FZE, a wholly owned subsidiary of the Company incorporated in United Arab Emirates, has incorporated a new wholly owned subsidiary company Aarvi Energy Services SDN. BHD in Malaysia with effect from September 23, 2025.

Pursuant to the provisions of Section 129(3) of the Act, read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Company's subsidiaries and associates in **Form AOC-1** attached as *"**Annexure 2**"* to this Report.

In accordance with the provisions of Section 136 of the Act, the audited standalone financial statements of the Company, the consolidated financial statements together with the relevant documents, and the separate audited financial statements of the subsidiaries are available on the Company's website at https://aarviencon.com/investors/financial-results.

Aarvi Encon FZE, the Company's wholly owned subsidiary incorporated in the SAIF Zone, Sharjah, UAE, continues to be a Material Subsidiary of the Company, as its net worth exceeds ten percent of the consolidated net worth of the Company in accordance with Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has formulated a Policy for determining Material Subsidiaries, which is available on the Company's website at https://aarviencon.com/investors/policies

9. BOARD OF DIRECTORS, COMMITTEES OF BOARD AND KEY MANAGERIAL PERSONNEL

A. Board of Directors

The Company's Board of Directors as on March 31, 2026, comprises of two Executive Directors, out of which one is a Managing Director and the other is an Executive Director and Chief Financial Officer, and four Independent Directors including one Women Director.

The details of the Board and Committee composition, areas of expertise are provided in the Corporate Governance Report, which forms part of this Report.

B. Changes in Directors during the year:

Dr. Padma Devarajan (DIN: 08064987) ceased to be an Independent Director of the Company with effect from January 31, 2026, upon completion of her second and final term as an Independent Director. The Board places on record its sincere appreciation for her valuable guidance and significant contribution during her tenure with the Company.

The Board of Directors appointed Mr. Jagat Parikh (DIN: 06757116) as an Independent Director of the Company for an initial term of five consecutive years, effective February 2, 2026 in compliance with the Act and Listing Regulations. The appointment was subsequently approved by the members of the Company through a resolution passed through postal ballot on March 21, 2026.

C. Director liable to Retirement by Rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Jaydev Sanghavi (DIN: 00759042), Director of the Company, is liable to retire by rotation at the ensuing 38th AGM and being eligible offered himself for re-appointment. On the recommendation of the NRC, the Board of Directors recommends his reappointment as a Director, liable to retire by rotation. The detailed proposal for re-appointment forms part of Notice of 38th AGM.

D. Declarations and Confirmations

All Independent Directors have submitted declarations and confirmations affirming that they meet the criteria of independence prescribed under Section 149(6) of the Act and Regulations 16(1)(b) and 25 of the Listing Regulations. They have also confirmed compliance with the Code for Independent Directors as prescribed under Schedule IV of the Act and with the requirements of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, including registration in the online databank maintained by the Indian Institute of Corporate Affairs.

The Board has taken these declarations and confirmations on record and, after due assessment, is of the opinion that all Independent Directors are independent of the management, possess the requisite integrity, expertise, experience and proficiency, fulfil the conditions specified under the Act and the Listing Regulations, and that there has been no change in circumstances affecting their independence during the year.

Based on the declarations received, none of the Directors is disqualified under Section 164 of the Act or debarred/disqualified from holding the office of Director by SEBI, the Ministry of Corporate Affairs, or any other statutory or regulatory authority. In the opinion of the Board, all Directors, including those appointed or re-appointed during the year, possess the requisite qualifications, experience, expertise and high standards of integrity.

During the year, the Non-Executive Directors had no pecuniary relationship or transactions with the Company, other than the payment of sitting fees and reimbursement of expenses, if any, incurred in connection with attending meetings of the Board and its Committees.

E. Number of Board Meetings

The Board met Seven (7) times during the year. The maximum gap between any two Board Meetings did not exceed one hundred and twenty days. The details of the meetings and attendance of directors are furnished in the Corporate Governance Report, which forms part of this Report.

F. Familiarization Programme for the Independent Directors

The Company has in place robust mechanism for familiarization of Directors including Independent Directors. The familiarization programmes generally include update on the business, strategy, general operations of the Company, out-side in perspective, new technology, innovation etc. A detailed note on familiarization is provided in Corporate Governance Section and the details of familiarization programmes conducted for Independent Directors are available on the website at https://aarviencon.com/investors/policies

G. Board Committees

In compliance with the provisions of the Act, the Listing Regulations and other applicable laws, the Board has constituted the following Committees to facilitate effective governance and discharge of its responsibilities:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

The Board determines the terms of reference of these Committees in accordance with the applicable statutory and regulatory requirements and appoints their respective members from time to time. The Committees discharge their functions within the scope of their respective terms of references and submit their recommendations, wherever required, to the Board for its consideration and approval.

The details relating to the composition of the Committees, terms of reference, the number of meetings held during the year and the attendance of the members thereat are provided in the Corporate Governance Report, which forms part of this Annual Report.

During the year, all the recommendations made by the Committees were duly considered and accepted by the Board.

H. Key Managerial Personnel ("KMP")

As on March 31, 2026, the following person have been designated as KMP of the Company pursuant to the provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Name	Designation
1.	Mr. Virendra D. Sanghavi	Managing Director
2.	Mr. Jaydev V. Sanghavi	Executive Director and Chief Financial Officer
3.	Ms. Leela S. Bisht	Company Secretary & Compliance Officer

During the year, there was no change in the KMPs of the Company.

F. Receipt of any remuneration or commission by Managing Director / Executive Director holding or subsidiary Company of the Company

During the year, Mr. Virendra D. Sanghavi nor Mr. Jaydev V. Sanghavi were not paid any remuneration or commission from any subsidiary of the Company. .

10. NOMINATION AND REMUNERATION POLICY

A structured and diversified Board provides the right direction and supports in organizational growth through structured discussions, deliberations, guidance and strategies at the Board level. Considering its importance, the Board on recommendation of Nomination and Remuneration Committee has formulated "Nomination and Remuneration Policy" containing criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act for selection of any Director, Key Managerial Personnel and Senior Management Employees.

The said policy of the Company is directed towards rewarding performance, based on a review of achievements on a periodic basis. The Nomination and Remuneration policy is available on the Company's website at https://aarviencon.com/investors/policies

11. ANNUAL EVALUATION BY THE BOARD

The Nomination and Remuneration Committee ("NRC") has approved a framework / policy for performance evaluation of the Board, Committees of the Board and the Individual members (including the Chairperson) that includes the criteria for performance evaluation, which is reviewed annually by the Committee. A questionnaire for evaluation of the performance of Board, its Committees and the individual members of the Board (including the Chairperson), is designed in accordance with the said framework and covering various aspects of the performance of the Board and its Committees, including composition and quality, roles and responsibilities, processes and functioning, adherence to Code of Conduct and Ethics and best practices in Corporate Governance as mentioned in the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India was circulated to the Directors.

Pursuant to the provisions of the Act and Listing Regulations, and based on policy devised by the Committee, the Board has carried out an annual evaluation of its own performance, its committees and individual directors. The Board performance was evaluated on inputs received form all the Directors after considering criteria as mentioned aforesaid.

The performance of the Committees was evaluated by the Board of Directors on input received from all Committee members after considering criteria as mentioned aforesaid.

The performance evaluation of non-independent directors and the Board as a whole and Chairman of the Board and accessed the quality, quantity and timeliness of the flow of information between the Management and the Board, which is necessary for the Board to effectively and reasonably perform its duties was also carried out by the Independent Directors of the Company through separate meeting held on March 23, 2026.

12. VIGIL MECHANISM

The Company is confirmed to adhere to the highest standards of ethical, moral and legal conduct of business operations and to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come and express these concerns without fear of punishment or unfair treatment.

Pursuant to the Regulation 22 of the Listing Regulation and the provision of Section 177(9) of the Act read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014, a "Vigil Mechanism Policy" for Directors and Employees of the Company is in place, to report their genuine concern of any violation of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

The Vigil Mechanism Policy also provides for adequate safeguard against victimization of person who use such mechanism and provision for direct access to the Chairman of the Audit Committee of the Company for redressal. During the year, no such complaints were received.

The Vigil Mechanism Policy is available on the website of the Company at https://aarviencon.com/investors/policies

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) read with Section 134(3)(c) of the Act, concerning the Directors' Responsibility Statement, it is hereby confirmed that:

(a) in the preparation of the annual accounts of the Company for the financial year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures from the same;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2026 and the profit of the Company for the year ended on that date;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. AUDITORS

A. Statutory Auditors

In accordance with the provision of Section 139, 141 of the Act and rules made thereunder, M/s. Jay Shah & Associates, Chartered Accountants (Firm Registration No. 135424W) were appointed as the Statutory Auditors of the Company at the 34th AGM held on July 29, 2022, for a period of five consecutive years from the conclusion of the 34th AGM held in the financial year 2022-23 till the conclusion of the 39th AGM to be held in the financial year 2027-28.

The auditors have confirmed their eligibility limits as prescribed in the Act, and that they are not disqualified from continuing as Auditors of the Company.

Auditor's Report

The Auditor's Report on the Financial Statements of the Company for the Financial year ended March 31, 2026, is unmodified i.e., it does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the Financial Statements forming part of the Annual Report.

Details of Fraud Reported by Auditors

There were no frauds reported by the Statutory Auditors under provisions of Section 143(12) of the Act and rules made thereunder.

B. Internal Auditor and Internal Audit Systems

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, the Board of Directors of the Company has appointed M/s. N. A. Shah Associates LLP, Chartered Accountants, to conduct internal audit across the organization. The Company have strengthened the in-house internal audit and compliance team to supplement and support the efforts of M/s. N. A. Shah Associates LLP, Chartered Accountants.

C. Secretarial Auditor

In accordance with Regulation 24A of the Listing Regulations and as per the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, ADCN & Company (formerly known as Amrita Nautiyal & Associates), Practising Company Secretary, (CP no.: 7989), were appointed as Secretarial Auditors of the Company at the 37th Annual General Meeting held on August 8, 2025, to hold office for a period of 5 (five) consecutive years from the financial year 2025-26 till the financial year 2029-30.

The Secretarial Audit Report for the financial year ended March 31, 2026, in the prescribed Form MR-3, forms part of this Annual Report as ***Annexure 3***. There are no other qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditors, in their Audit Report for the year, except below:

<table>
<tr><th>Sr. No.</th><th>Observation</th><th>Management Response</th></tr>
<tr><td>1.</td><td>Composition of Board of Directors
During the period under review, the Company did not maintain the minimum strength of six directors on its Board as required under Regulation 17(1)(c) of the Listing Regulations for one day i.e., February 1, 2026.</td><td rowspan="2">The following section outlines the changes in the Board's composition and the circumstances that led to the temporary shortfall in its minimum required strength:
Retirement of Director: Dr. Padma Venkitachalam Devarajan (DIN: 08064987) completed her scheduled term as an Independent Director of the Company effective from the close of business hours on January 31, 2026. With this, she ceased to be a Member of the Nomination and Remuneration Committee.
Appointment of New Director: Following a comprehensive search to ensure alignment with the Board's required skill sets, the Board of Directors, through circular resolution passed on January 31, 2026, approved the appointment of Mr. Jagat Suresh Parikh (DIN: 06757116) as an Additional, Non-Executive Independent Director for a term of five consecutive years effective from February 2, 2026 basis the consent and availability of Mr. Parikh.
Reconstitution of Nomination and Remuneration Committee: The Board of Directors of the Company at its meeting held on February 11, 2026, reconstituted the NRC by inducting Mr. Jagat Suresh Parikh as a member of the Committee effective from February 11, 2026. No meetings of NRC were held during the interim period.</td></tr>
<tr><td>2.</td><td>Composition of Nomination and Remuneration Committee
During the period under review, the Nomination and Remuneration Committee did not comprise a minimum of 3 three directors for 10 days i.e., February 1, 2026 to 10th February 2026.</td></tr>
</table>

D. Annual Secretarial Compliance Report of Aarvi Encon Limited

Pursuant to Regulation 24A of the SEBI Listing Regulations, the Secretarial Compliance Report issued by the Secretarial Auditor of the Company for the financial year ended March 31, 2026, has been submitted to the Stock Exchange and the same is also available on the website of the Company at https://aarviencon.com/investors/secretarial-compliance-report.

Further, in this regard, please note that the Company does not have any material unlisted Indian subsidiary during FY 2025-26. Accordingly, the provisions relating to the secretarial audit of material subsidiaries and the submission of the Secretarial Audit Report under Regulation 24A(1) of the Listing Regulations are not applicable.

E. Cost Auditors

Provisions of Section 148 of the Act, read with Companies (Audit & Auditors) Rules, 2014, and other applicable provisions, if any, relating to maintenance of cost records and cost audit are not applicable to the Company.

15. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company's CSR initiatives and activities are aligned to the requirements of Section 135 of the Act. The Company's CSR Policy provides guidelines to conduct CSR activities of the Company. All the CSR Activities are aligned to Company's values for contributing to the community and in line with CSR policy of the Company. The said policy is available on the Company's website at https://aarviencon.com/storage/app/uploads/public/682/370/991/6823709913672988347941.pdf.

The Annual Report on CSR initiatives, salient features of the CSR policy including changes therein, etc. as required under Section 135 of the Act is annexed to this Report as ***"Annexure 4"***.

In accordance with the provisions of Section 135(9) of the Act, the Company was not required to constitute a CSR Committee during the year, as its CSR obligation did not exceed ₹ 50 lakh in the immediately preceding financial year. Accordingly, all functions, powers and responsibilities of the CSR Committee were discharged by the Board of Directors in compliance with the applicable provisions of the Act and rules made thereunder.

16. RISK MANAGEMENT

The Company has adopted a Risk Management Policy which lays down the framework to define, assess, monitor, prioritize and mitigate/absorb the business, operational, financial and other risks associated with the business of the Company. The Risk Management Policy enables for growth of Company by helping its business to identify risks, assess, evaluate and monitor risks continuously and undertake effective steps to manage these risks.

17. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other particulars required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

i. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2025-26 along with percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the FY 2025-26:**

Name of the Directors	Designation	Remuneration of the Directors*	% Increase in the Remuneration	Ratio of Remuneration of Each Director/to median remuneration of employees	Increase/ (Decrease) in Median Remuneration as compared to Previous Year
Mr. Virendra D. Sanghavi	Managing Director	1,68,00,000	-	55.89	0.04
Mr. Jaydev V. Sanghavi	Executive Director & CFO	1,68,00,000	-	55.89	0.04
Ms. Leela S. Bisht	Company Secretary	11,27,862	23.41	3.75	0.71

*Remuneration are paid only to the Executive Directors and KMP.
Independent Directors are only paid Sitting fees.

Notes:

a. The remuneration to Directors, wherever applicable is within the overall limits approved by the shareholders of the Company.

b. There has been no change in the payment criteria for remuneration to non-executive / independent directors.

ii. **The percentage increase in the median remuneration of employees in the financial year 2025-2026:**

The percentage increase in the median remuneration of employees in the financial year 2025-2026 is -0.08%.

iii. **The number of permanent employees on the rolls of the Company as on March 31, 2026:**

There were 277 permanent employees on the rolls of the Company as on March 31, 2026.

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

During the FY 2025-26, the average percentage increase in salary of the Company's employees, excluding the KMP was 2.95%. whereas the increase in managerial remuneration for the FY 2025-26 was 23.41% (excluding any other perquisite).

v. **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid during the year is as per the Nomination & Remuneration Policy of the Company.

The statement containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is available for inspection. Shareholders interested in obtaining a copy of the same may write to the Company at cs@aarviencon.com

18. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All the related party transactions entered into during the year were on an arm's length basis and in the ordinary course of the Company's Business. All such contracts or arrangements were entered into only with prior approval of the Audit Committee. Audit Committee grants omnibus approval for transactions which are regular and routine in nature as per the criteria approved by the Board and special or event-based transactions are approved separately by the Audit Committee in line with the Company's Policy on Related Party Transaction Policy.

A statement detailing all related party transactions entered into pursuant to the omnibus approval, along with relevant supporting information, is updated and placed before the Audit Committee for review on a quarterly basis. In compliance with the requirements of Listing Regulations, names of related parties and details of transactions with them have been included in notes to the financial statements forms part of the Annual Report.

During the year, no material related party transactions were entered into accordance with the Act and the Listing Regulations and the Company's Policy on Related Party Transactions. Accordingly, the disclosure of related party transactions in "Form AOC- 2" is not applicable.

The Company has formulated Policy on Related Party Transactions, which provides for the process to be followed for approval of any transactions with related parties. The Related Party Transactions Policy as approved by the Board is available on the Company's website at https://aarviencon.com/investors/policies .

19. ANNUAL RETURN

As required under Section 92(3) of the Act read with the Companies (Management and Administration)

Rules, 2014, the Annual Return of the Company as on March 31, 2026 in Form MGT 7, is available on the Company's website on at https://aarviencon.com/investors/general-meeting

20. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance. We believe sound corporate governance is critical to enhance and retain investor trust. Our disclosures seek to attain the best practices in corporate governance. We always strive to implement several best corporate governance practices in the Company to enhance long-term shareholder value and respect minority rights in all our business decisions.

The Corporate Governance Report in terms of Regulation 34 read with Schedule V of the Listing Regulations, for FY 2025-26 is presented in separate section forming part of this Annual Report *(Annexure – 5).*

A Certificate obtained from ADCN & Company (formally known Amrita Nautiyal & Associates) Practicing Company Secretary, confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V of the Listing Regulations forms part of the Annual Report.

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of Regulation 34 read with Schedule V of the Listing Regulations, the Management Discussion and Analysis capturing the Company's performance, industry trends and other material changes with respect to the Company and its subsidiaries, is presented in a separate section forms part of the Annual Report *(Annexure – 5)*.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed and dedicated in providing a healthy and harassment free work environment to every individual of the Company, a work environment that does not tolerate sexual harassment. We highly respect the dignity of everyone involved at our workplace, whether they are employees, suppliers or our customers. We require all employees to strictly maintain mutual respect and a positive attitude towards each other.

In accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed their under, the Company has formed an Internal Complaints Committee and framed and adopted the policy for Prevention of Sexual Harassment at Workplace.

The following is the summary of Sexual Harassment complaints received and disposed of during the FY 2025-26.

Number of complaints pending as on the beginning of the year – 0

Number of complaints received during the year – 1

Number of complaints disposed of during the year - 1

Number of complaints pending at the end of the financial year - 0

The Annual Return under the aforesaid Act has been duly filed with the Labour Commissioner, Mumbai, as well as with the respective authorities at the locations where the Company operates branch offices.

23. MATERNITY BENEFITS ACT, 1961

The Company complied with all the applicable provisions of the Maternity Benefit Act, 1961 along with the relevant provisions of the Code on Social Security, 2020 insofar as they relate to maternity benefit to the extent notified.

24. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is committed towards energy conservation. We recognize energy efficiency plays a central role in lowering the Company's operational Green House Gas emissions. Various improvements and initiatives are implemented to enhance efficiency through technological upgrades and effective monitoring of operational and maintenance activities. The Company has been able to reduce the electricity consumption and carbon footprint over the years through effective energy management and sustainable initiatives. The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo as required under Section 134 (3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are as stated below:

A) Conservation of Energy

1. **The steps taken or impact on conservation of energy:**

   The Company applied a strict control system to monitor day to day power consumption. The Company ensures optimal use of energy with minimum extent of wastage as far as possible. The day-to-day consumption is monitored to save energy.

2. **The steps taken by the Company for utilizing alternate sources of energy:**

   The Company has not taken any such steps as we are in the service sector and consume only electricity to operate laptop and maintain server.

3. **The Capital Investment on Energy Conservation Equipment:**

   The Company has not made any capital investment in energy conservation equipment.

B) Technology Absorption

During the year, the Company neither purchased any technology nor incurred any expenditure on Research and Development. Consequently, the disclosures pertaining to these matters are not applicable.

C) Foreign Exchange Earnings and Outgo

(Amount in ₹)

Particulars	2025-26	2024-25
Foreign Exchange Earnings in terms of actual inflows	4,40,14,305	2,15,21,384
Foreign Exchange outgo in terms of actual outflow	19,45,613	18,91,735

25. PARTICULARS OF LOAN, GUARANTEE OR INVESTMENTS

Particulars of Loans given, Investments made, Guarantees given and Securities provided under the Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2026, as applicable, are set out in Notes to the Standalone Financial Statements of the Company.

27. HUMAN RESOURCES

The Company treats its "Human Resources" as one of its most important assets. The Company continuously invests in attraction, retention and development of talent on an ongoing basis. Several programs that provide attention to focused people are currently underway. The Company thrusts on the promotion of talent internally through job rotation and job enlargement.

28. INTERNATIONAL STANDARDS

The Company successfully completed the annual ISO surveillance audit and retained the enterprise-wide ISO certification for ISO 9001:2015, ISO 45001: 2018 and ISO 14001:2015.

29. OTHER DISCLOSURES

During the year:

- There was no change in the nature of business of the Company;
- No amount was proposed to be transferred to the Reserves;
- No significant or material order was passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future;
- There was no instance of the Company failing to implement any corporate action within the statutory time limit;
- There were no amounts due and outstanding for credit to the Investor Education and Protection Fund as on March 31, 2026;
- There was no proceedings made or pending under the Insolvency and Bankruptcy Code, 2016; and
- There was no instance of one-time settlement with any Bank or Financial Institution.
- There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the year and the date of this report.
- The Company did not accept any deposits from the public/members during the year within the meaning of sections 73 and 74 of the Act, read together with the Companies (Acceptance of Deposits) Rules, 2014, and accordingly, no amount on account of principal or interest on public deposits was outstanding as on March 31, 2026.
- The Company complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, as amended from time to time.

30. CAUTIONARY STATEMENT

The Statements in this Directors' Report and Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in Government regulations, Tax regimes, economic developments within India and other ancillary factors.

31. ACKNOWLEDGEMENT

The Board of Directors of the Company take this opportunity to thank all Government Authorities, Bankers, Shareholders, Registrar & Transfer Agents, Investors and other Stakeholders for their assistance and co-operation to the Company. The directors express their deep sense of appreciation and gratitude towards all employees and staff of the Company and wish the management all the best for further growth and prosperity.

For and on behalf of the Board of Directors of,
Aarvi Encon Limited

Sd/-	**Sd/-**
Virendra D. Sanghavi	**Jaydev V. Sanghavi**
Managing Director	**Executive Director & CFO**
DIN: 00759176	**DIN: 00759042**

Date: July 6, 2026
Place: Mumbai

ANNEXURE 1

Details of Share Based Incentive Scheme

DISCLOSURE PURSUANT TO THE PROVISIONS OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AS ON MARCH 31, 2026

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India ("ICAI") or any other relevant accounting standards as prescribed from time to time:

The disclosures are provided in the Note No. 31 of the notes to accounts forming part of the Standalone Financial Statements for the financial year 2025-26 ("standalone financial statements").

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations, in accordance with 'Indian Accounting Standard 33 – Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time:

The diluted EPS of the Company calculated after considering the effect of potential equity shares arising on account of exercise of options / RSUs is INR 9.19 per share.

C. Details related to ESOPs / RSUs:

Sr. No.	**Particulars**		
(i) Description of each ESOPs / RSUs that existed during the year, including the general terms and conditions:			
1	Date of Shareholders' approval	29 July, 2022	
2	Total number of options / units approved under the scheme	7,39,200 shares	
3	Vesting requirement	**Number of Options vested**	**Vesting Schedule**
		20% of the Options Granted	One year from the date of Grant
		Another 20% of the Options Granted	Two years from the date of Grant
		Next 20% of the Options Granted	Three years from the date of Grant
		Next 20% of the Options Granted	Four years from the date of Grant
		Balance 20% of the Options Granted	Five years from the date of Grant
4	Exercise price or pricing formula	₹ 25/-	
5	Maximum term of options / units granted (Years)	5 years from the date of vesting.	
6	Source of shares	Primary	
7	Variation in terms of options / units	Not Applicable	
(ii)	**Method used to account for ESOPs / RSUs:**	Fair value	
(iii) Has the company has opted for expensing of the options / units using the Intrinsic Value of the Options: No			

(iv) Movement during the year:	
Particulars	**Details**
Number of options Outstanding at the beginning of the period	163300
Number of options granted during the year	NIL
Number of options forfeited / lapsed during the year	NIL
Number of options vested during the year	38000
Number of options exercised during the year	NIL
Number of shares arising as a result of exercise of options	NIL
Money realized by exercise of options (INR)	NIL
Variation of terms of option	NIL
Maximum Period within which options shall be vested	2030
Number of options outstanding at the end of the year	1,63,300
Number of options exercisable at the end of the year	49800
(v) Weighted-average exercise prices ("WAEP") and weighted-average fair values("WAFV") of Options / Units	
	NIL
(vi) Employee wise details of Options / RSUs granted during the FY 2025-26	**NIL**

(vii) A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

1	Weighted-average Values of share price	
	Exercise price	As provided in note no. 31 of standalone financial statements
	Expected volatility	
	Expected option life	
	Expected dividends	
	The risk-free interest rate	
	Any other inputs to the model	
2	The method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable
3	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	As provided in note no. 31 of standalone financial statements
4	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	There are no market conditions attached to the grant and vest.

For and on behalf of the Board of Directors of,
Aarvi Encon Limited

Sd/-	**Sd/-**
Virendra D. Sanghavi	**Jaydev V. Sanghavi**
Managing Director	**Executive Director & CFO**
DIN: 00759176	**DIN: 00759042**

Date: July 6, 2026
Place: Mumbai

ANNEXURE - 2

Form AOC-1

Statement containing Salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures.
[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

₹ In Lakhs

Sr. No.	Particulars	Name of the Companies			
		Aarvi Encon FZE, UAE [3]	Aarvi Engineering and Consultants Private Limited, India	Aarvi Encon Resources Limited, UK	Aarvi Energy Company, Saudi Arabia
1	CIN/any other registeration number of subsidiary company	015906	U74140MH2007PTC171010	11238637	1009022946
2	Date since when subsidiary was acquired/ incorporation	13-10-2015	21-05-2007	07-03-2018	30-04-2024
3	Reporting Currency	1 AED = ₹ 25.56	INR.	1GBP = ₹123.74	1SAR = 25.0300
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-	-	-	-
5	Equity Share Capital	27.07	20.00	10.52	11.76
6	Reserve and Surplus	3110.18	30.74	(118.07)	(76.42)
7	Total Assets	3476.88	61.74	14.07	5.60
8	Total Liabilities	3476.88	61.74	14.07	5.60
9	Investments		45.35		
10	Turnover [4]	7316.00	6.53	-	-
11	Profit Before Tax [4]	838.30	6.91	(14.96)	(75.12)
12	Provision for Tax [4]	63.80	6.87		-
13	Deferred Tax [4]				
14	Profit After Tax [4]	774.49	0.04	(14.96)	(75.12)
15	Proposed Dividend				
16	% of Shareholding	100%	100%	100%	100%

1. Names of subsidiaries which have been liquidated or sold during the year: There are no Subsidiaries which have been liquidated or sold during the year.
2. In case of Aarvi Encon FZE, UAE the figures reported are based on the Consolidated Financial Statement of the said subsidiary.
3. Converted at monthly average exchange rates.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2023 related to Associate Companies and Joint Ventures.

Name of Associates/Joint Ventures	**Aarvi Encon Staffing Services, Qatar**
1. Latest audited Balance Sheet Date	-
2. Date on which the Associate or Joint Venture was associated or acquired	20-08-2023
3. Shares of Associate/Joint Ventures held by the company on the year end:	
No. of Shares	98 Shares
Amount of Investment in Associates/Joint Venture	98,000 Qatari Riyals
Extend of Holding %	49
4. Description of how there is significant influence	There is a significant influence by virtue of Control
5. Reason why the associate/joint venture is not consolidated	NA
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	₹ (288.86) Lakhs
7. Profit / (Loss for the year)	
i. Considered in Consolidation	1,004.45
ii. Not Considered in Consolidation	-

1. Names of Associates or Joint Ventures which are yet to commence operations: There are no Associates or Joint Ventures which are yet to commence its operations.
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year: There are no Associates or Joint Ventures which have been liquidated or sold during the year.

Virendra D. Sanghavi

Sd/-
Managing Director
DIN:00759176

Jaydev V. Sanghavi

Sd/-
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748
Place: Mumbai
Date: July 6, 2026

Annexure-3

Form No. MR - 3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2026

[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,
Aarvi Encon Limited
B1-603, Marathon Innova, Marathon NextGen,
Lower Parel (W), Mumbai – 400 013.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Aarvi Encon Limited (CIN: L29290MH1987PLC045499) (hereinafter called 'the Company') for the financial year ended 31st March 2026 **('Audit Period')**. The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company during the Audit Period and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that in our opinion, the Company has, during the Audit Period 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 Audit Period according to the provisions/ clauses of:

(i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations');

b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity Regulations, 2021;

e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

f) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) The Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India and notified by the Central Government under Section 118(10) of the Act.

We inform that, during the Audit Period, there were no transaction undertaken by the Company which required compliance of the following Act, rules and regulations made thereunder:

a) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

b) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

c) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and

d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

We have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India related to board and general meetings.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, and other applicable requirements (collectively referred to as the 'Applicable Laws'), except the following:

Observations:

1. ***Composition of Board of Directors***

   During the period under review, the Company did not maintain the minimum strength of six directors on its Board as required under Regulation 17(1)(c) of the Listing Regulations for one day i.e., 1st February 2026.

2. ***Composition of Nomination and Remuneration Committee***

   During the period under review, the Nomination and Remuneration Committee did not comprise a minimum of 3 three directors for 10 days i.e., 01st February 2026 to 10th February 2026.

   Management Response:

   The following section outlines the changes in the Board's composition and the circumstances that led to the temporary shortfall in its minimum required strength:

   Retirement of Director: Dr. Padma Venkitachalam Devarajan (DIN: 08064987) completed her scheduled term as an Independent Director of the Company effective from the close of business hours on January 31, 2026. With this, she ceased to be a Member of the Nomination and Remuneration Committee.

   Appointment of New Director: Following a comprehensive search to ensure alignment with the Board's required skill sets, the Board of Directors, through circular resolution passed on January 31, 2026, approved the appointment of Mr. Jagat Suresh Parikh (DIN: 06757116) as an Additional, Non-Executive Independent Director for a term of five consecutive years effective from February 2, 2026 basis the consent and availability of Mr. Parikh.

   Reconstitution of Nomination and Remuneration Committee: The Board of Directors of the Company at its meeting held on February 11, 2026, reconstituted the NRC by inducting Mr. Jagat Suresh Parikh as a member of the Committee effective from February 11, 2026. No meetings of NRC were held during the interim period.

   We further report that

   The board of directors of the Company is duly constituted as per the provisions of the Act and amendments made there under. The processes relating to the changes in the composition of the Board, during the Audit period, were carried out in compliance with the provisions of the Act except for the above instances stated under *"Observations"*. Following changes took place in the composition of the Board:

   a. Dr. Padma Venkitachalam Devarajan (DIN: 08064987) completed her tenure as an Independent Director of the Company with effect from close of business hours on 31st January 2026.

   b. Mr. Jagat Suresh Parikh (DIN: 06757116) was appointed as an Independent Director of the Company with effect from 02nd February 2026.

   Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent within the prescribed time (with shorter notice consent wherever required) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

   All the decisions were carried out with requisite majority. The members of the board have not expressed dissenting views on any of the agenda items during the financial year under review.

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, the following events also took place after obtaining requisite approvals:

a. Following the Board of Directors' recommendation, shareholders approved a final dividend of ₹ 2/- per equity share for the financial year ended 31st March 2025, at the 37th Annual General Meeting held on 08th August 2025. The Company has successfully completed all related compliance requirements, including the disbursement of payments and Tax Deducted at Source (TDS).

b. Aarvi Encon FZE, a wholly owned subsidiary of Aarvi Encon Limited incorporated in United Arab Emirates, has incorporated a new wholly owned subsidiary company Aarvi Energy Services SDN. BHD in Malaysia with effect from 23rd September 2025.

There are no other events that require reporting in this report.

For ADCN & Company,
(Formerly known as Amrita Nautiyal & Associates)
Practicing Company Secretary
Name: Amrita DC Nautiyal - Proprietor
COP No. 7989
ICSI Membership No. F5079
Peer Review Certificate No.: 8142/2026
UDIN: F005079H000759833
Date: 6th July 2026
Place: Mumbai

This report shall be read with Annexure I enclosed along with this report.

'Annexure I'

To,

The Members,
Aarvi Encon Limited
B1-603, Marathon Innova, Marathon Next-Gen,
Lower Parel (W), Mumbai - 400 013.

The Secretarial Audit Report of even date is to be read along with this letter.

Auditor's Responsibility

1. Our objective is to obtain reasonable assurance about the compliance under applicable laws, maintenance of records and issue a report that includes our opinion. While reasonable assurance in high level assurance, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the standards.
2. We have followed the audit practices and processes in accordance with CSAS-1 to CSAS-4 i.e. the Auditing Standards issued by ICSI, which were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct.

Management Responsibility

3. The compliance of provisions of all laws, rules, regulations, standards applicable to Aarvi Encon Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures maintained by the Company and required for the purpose of issue of the Secretarial Audit Report.
4. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished by the Company, along with explanations where so required.

Others

5. The verification compliance and records were done on test check basis to ensure that correct facts are reflected in secretarial and other records produced. We believe that the processes and practices we follow, provides a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company and relied on the report presented by the Statutory Auditors of the Company.
7. This Report has been issued with observations and we have highlighted the same in italics.
8. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
9. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For ADCN & Company,
(Formerly known as Amrita Nautiyal & Associates)
Practicing Company Secretary
Name: Amrita DC Nautiyal - Proprietor
COP No. 7989
ICSI Membership No. F5079
Peer Review Certificate No.: 8142/2026
UDIN: F005079H000759833
Date: 6th July 2026
Place: Mumbai

Annexure 4

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FINANCIAL YEAR 2025-26

1. **A brief outline on CSR policy of the Company:**

   Aarvi Encon Limited is deeply committed to enhancing the quality of life in the communities surrounding our operations, with a focus on social responsibility. Our approach prioritizes local areas and aims for long term stakeholder value creation. We are dedicated to respecting and responding to the interests of key stakeholders, particularly those from socially and economically disadvantaged groups, including Scheduled Castes and Scheduled Tribes, as well as the broader society.

   Our Corporate Social Responsibility (CSR) initiatives are centred on health, education, and environmental interventions, targeting diverse and deserving communities in both rural and urban areas. Our philosophy, 'More from Less for More People,' drives us to maximize the impact of our CSR projects through efficient use of financial and human resources. We seek to create meaningful partnerships with like-minded stakeholders to expand our reach and benefit more lives.

   By focusing on these areas, Aarvi Encon Limited aims to leverage the demographic dividend of our country, ensuring that our CSR efforts contribute significantly to the well-being of the underprivileged and marginalized sections of society.

   Guiding Principles

   Aarvi Encon Limited's social investment strategy is guided by the following principles:

   Benefit Generation: We believe in 'investment in resource creation' that serves multiple generations. Our focus is on identifying sustainable projects that provide long-term benefits to society.

   Educate for Self-Reliance and Growth: Education is the cornerstone of a prosperous and growth-oriented society. We aim to empower every Indian with education to foster self-reliance and national growth.

   Promote Health: Our activities are concentrated around our operational locations. This proximity allows us to effectively guide, monitor, and implement specific projects with a higher impact.

   Target Those Who Need It Most: We are dedicated to caring for the most disadvantaged sections of society. Our efforts transcend religious, caste, linguistic, and colour boundaries, focusing on those at the lowest social rung.

   These principles underpin our commitment to driving sustainable social impact, ensuring that our CSR efforts contribute meaningfully to the betterment of society.

   These projects align with the ESG framework and support 7 of the UN SDG Goals

2. **Composition of CSR Committee:**

   Not applicable, since the Amount to be spent by the Company does not exceed Rupees Fifty Lakhs, the requirement under Section 135 of the Companies Act, 2013 the constitution of the Corporate Social Responsibility Committee is not applicable, and the functions of such Committee is being discharged by the Board of Directors.

3. **Web-link where CSR Policy and CSR Projects approved by the Board are disclosed on the Website of the Company:**

   - Composition of Committee: NA
   - CSR Policy:

   https://aarviencon.com/storage/app/uploads/public/682/370/991/6823709913672988347941.pdf

   - CSR Project: NA

4. Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

   Not applicable, since the Company did not meet the criteria specified under Section 135(5) of the Act.

5. (**a**) Average net profit of the company as per sub section (5) of section 135: 13,06,20,091

   (b) Two percent of the average net profit of the Company as per Section 135(5): 26,12,402

   (c) Surplus arising out of the CSR projects is or programmes or activities of the previous financial years: **Nil**

   (d) Amount required to be set off for the financial year, if any: 1,34,674

   (e) Total CSR obligation for the financial year [b+c-d]: 24,77,728

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): 36,41,620

(b) Amount spent in Administration Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [a+b+c]: 36,41,620

(e) CSR Amount spent or unspent for the Financial Year:

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year 2025-26</th><th colspan="5">Amount Unspent (INR)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</th></tr>
<tr><th>Amount</th><th>Date of transfer</th><th>Name of the Fund</th><th>Amount</th><th>Date of transfer</th></tr>
<tr><td>INR 36,41,620 /-</td><td colspan="5">Not Applicable</td></tr>
</table>

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (INR)
(1)	**(2)**	**(3)**
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	**26,12,402**
(ii)	Total CSR obligation for the financial year (Refer Note 1)	**24,77,728**
(iii)	Total amount spent for the Financial Year	**36,41,620**
(iv)	Excess amount spent for the Financial Year [(iii)-(ii)]	**11,63,892**
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	**NIL**
(vi)	Amount available for set off in succeeding Financial Years [(iv)+(v)]	**11,63,892**

Note 1: The total CSR obligation for the company is ₹ 24,77,728 as mentioned in point 5(e). This point is not part of the statutory format and has been voluntarily added to reflect the correct calculation on excess amount available for set-off. The excess amount for set-off should be calculated by subtracting the total amount spent on CSR projects from the total CSR obligation.

1. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:** Not Applicable
2. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No
3. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5)**: Not Applicable

For Aarvi Encon Limited
Virendra D. Sanghavi
Managing Director
DIN: 00759176

Jaydev V. Sanghavi
Executive Director & CFO
DIN: 00759042

Date:
Place: Mumbai

Annexure-5

REPORT ON CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy of the Company in based on the core values which ensures transparency, integrity, ethics in all dealings and in the functioning of the management and the Board. All the policies are derivatives of our Corporate Governance Philosophy which seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regularity compliances. The Company operates within accepted standards of proprietary, fair play and justice and aims at creating a culture of openness in the relationship between itself and its stakeholders.

The principles of Corporate Governance are integrated into our business operations viz. ethical, accountable, transparent and fair way, with a blend of both legal and management practices, which are embedded in the decision-making process of the Company, and communicated accurately and timely, in such a way that both stakeholders' expectations and legal standards are not only met, but the corporation tries to exceed them. By adopting these best- in -class ESG practices, the Company aims to comply with all the requirements of law in true letter and spirit.

The Code of Conduct adopted by the Company is a principal document capturing the core Corporate Governance and ESG principles and reflects our commitment to conduct business in line with the spirit of the Corporate Governance Philosophy and long-term sustainability of all our stakeholders. The Code of Conduct and the vigil mechanism enable all our employees to voice their concern openly without any fear or inhibition.

2. BOARD OF DIRECTORS

The Board of Directors consists of members from different background, industry experience, expertise, knowledge etc. The diverse Board helps shaping up the Company's strategy in line with its business objectives, vision and purpose, and also provides guidance to the management under its supervision, thereby creating long term value for its stakeholder

Composition, Category of Directors and Size of Board

The Board is headed by an Executive Chairman and has an optimum combination of Executive and Non- Executive Directors including Independent Directors and is in conformity with the requirement of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**).

As on March 31, 2026, the Board of Directors comprises of Six (6) Directors consisting of One (1) Managing Director (Executive Chairman), One (1) Executive Director and Four (4) Non-Executive Independent Directors, including One (1) Woman Independent Director. All the Four Independent Directors of the Company are free from any business or other relationship that could materially influence their judgment. All the Independent Directors satisfy the criteria of independence as defined under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013 ("the Act").

The names and categories of the Directors on the Board and names of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2026 are given herein below:

Name the Director	Category	No. of Directorship(s) in Other Public Companies[1]	No. of Committee Positions held in Public Companies (Including this Company)[1&2]		Name of other listed entities where the Directors of the Company are Director and the category of their Directorship	
			Membership	Chairpersonship	Other Directorship	Category
Mr. Virendra Sanghavi (DIN: 00759176)	Promoter, Managing Director	0	0	0	-	-
Mr. Jaydev Sanghavi (DIN: 00759042)	Promoter, Executive Director	1	2	0	-	-
Mr. Devendra Shrimanker (DIN: 00385083)	Non-Executive Independent Director	2	3	2	1.Citadel Realty and Developers Limited 2.Marathon Nextgen Realty Limited	Non-Executive Independent Director Non-Executive Independent Director

Name the Director	Category	No. of Directorship(s) in Other Public Companies[1]	No. of Committee Positions held in Public Companies (Including this Company)[1&2]		Name of other listed entities where the Directors of the Company are Director and the category of their Directorship	
			Membership	Chairpersonship	Other Directorship	Category
Mrs. Sonal Doshi (DIN: 06672497)	Non-Executive Independent Director	1	2	1	-	-
Mr. Ramamoorthy Ramachandran (DIN: 07049995)	Non-Executive Independent Director	1	1	0	-	-
Mr. Jagat Suresh Parikh (DIN: 06757116)	Non- Executive Independent Director	1	0	0	-	-

Notes:

1. Excluding Directorships on the Board of Private Companies, Section 8 Companies, Foreign Companies, and Alternate Directorship, Companies which have been struck off or under liquidation.
2. Membership & Chairpersonship in only Audit Committee and Stakeholders Relationship Committee is considered. Membership includes Chairpersonship.
3. None of the Directors holds directorships in more than ten public companies or serves as an Independent Director in more than seven listed entities, in compliance with the provisions of the Act and the Listing Regulations.
4. As mandated by Regulation 26 of the Listing Regulations, none of the Director acts as a member of more than 10 committees or acts as a chairperson of more than 5 committees across all Public Limited Companies.
5. **Relationships between Directors inter-se**: Mr. Virendra D. Sanghavi is the father of Mr. Jaydev V. Sanghavi. None of the other Directors except as aforementioned are related to each other.
6. **Shareholding of Non - Executive Independent Directors as on March 31, 2026**: None of the Non-Executive Independent Directors holds any Equity Shares of the Company. Further, there are no Convertible Instruments issued by the Company.
7. None of the Directors is debarred from holding the office of Director pursuant to any Order issued by SEBI or any other authority.

Skill matrix

As stated before, the Directors of the Company comes from diverse fields and have expertise and long-standing experience and expert knowledge in their respective fields which are relevant and of considerable value by contributing in all key decisions viz Company's strategy, guidance, strengthening of the policies and processes of the Company, for long term sustainability of the Company. The Core Skills / Expertise / Competencies required in the Board in the context of the Company's Business and sectors functioning effectively as mapped against the individual Board members of the Company is tabulated below:

Core Skills / Expertise / Competencies	Mr. Virendra Sanghavi	Mr. Jaydev Sanghavi	Mr. Devendra Shrimanker	Mrs. Sonal. Doshi	Mr. Ramamoorthy Ramachandran	Dr. Padma Devarajan*	Mr. Jagat Suresh Parikh#
Leadership/ Operational expertise	√	√	√	√	√	√	√
Strategic planning	√	√	√	√	√	√	√
Sector / Industry Knowledge & Experience, Business Strategy, Financial Control	√	√	√	√	√	√	√
Financial, Regulatory/ Legal & Risk Management	√	√	√	√	√	√	√

Core Skills / Expertise / Competencies	Mr. Virendra Sanghavi	Mr. Jaydev Sanghavi	Mr. Devendra Shrimanker	Mrs. Sonal. Doshi	Mr. Ramamoorthy Ramachandran	Dr. Padma Devarajan*	Mr. Jagat Suresh Parikh#
Corporate Social Responsibility and Corporate Governance	√	√	√	√	√	√	√
Human Resources	√	√	√	√	√	√	√
Technology & Digital Transformation	√	√	√	√	√	√	√

** Dr. Padma Devarajan ceased to be an Independent Director of the Company with effect from January 31, 2026, upon completion of her second and final term as an Independent Director.*

#Mr. Jagat Suresh Parikh was appointed as an Independent Director with effect from February 2, 2026.

Details of Board Meetings and Directors' attendance at Board Meetings and the last Annual General Meeting ("AGM")

The Board met Seven (7) times during the financial year 2025-26 ("the year/FY 2025-26") i.e. on May 03, 2025, May 29, 2025, July 01, 2025, August 12, 2025, November 13, 2025, January 03, 2026, February 11, 2026. The gaps between two meetings did not exceed 120 days.

The necessary quorum was present for all the meetings. The names of the Directors on the Board, their attendance at the Board Meetings and at the Annual General Meeting held during the year, are given herein below:

Name of the Member	No. of Meetings Entitled to Attend	Board Meetings during FY 2025-2026							No. of Meetings Attended	Attendance at the last AGM held on August 08, 2025
		May 03, 2025	May 29, 2025	July 01, 2025	August 12, 2025	November 13, 2025	January 03, 2026	February 11, 2026		
Mr. Devendra Shrimanker	7	P	P	P	P	P	P	P	7	P
Mr. Jaydev Sanghavi	7	P	P	P	P	P	P	P	7	P
Ms. Sonal Doshi	7	P	P	P	P	P	P	P	7	P
Mr. Virendra Sanghavi	7	P	P	P	P	P	P	P	7	P
Mr. Ramamoorthy Ramachandran	7	P	P	P	P	P	P	P	7	P
Dr. Padma Devarajan[3]	6	P	P	P	P	P	P	NA	6	P
Mr. Jagat Parikh[4]	1	NA	NA	NA	NA	NA	NA	A	0	NA

P- Present A- Absent NA – Not Applicable.

Notes:

1. All the Board Meetings of the Company were conducted through Video Conferencing / Other Audio Visual Means, except the meeting held on January 3, 2026, which was held through Physical Mode.
2. In addition to other items discussed at the Board Meeting, the Company Secretary ensured compliance of placing mandatory matters before the Board in terms of Regulation 17 of the Listing Regulations and Section 179 of the Act read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014.
3. Dr. Padma Devarajan ceased to be an Independent Director of the Company with effect from January 31, 2026, upon completion of her second and final term as an Independent Director.
4. Mr. Jagat Parikh was appointed as an Independent Director of the Company with effect from February 2, 2026.

Independent Directors

The Independent Directors are the professionals, with expertise and experience in general corporate management, legal, public policy, finance, banking and other allied fields. The knowledge of their fields of expertise as well as the boardroom practices helps foster varied, unbiased, independent and experienced perspectives, thereby contributing to organizational growth while working in best interest of the Company and its stakeholders.

The Board is of the opinion that all the Independent Directors possess the requisite integrity, expertise and experience (including proficiency, wherever applicable) required to effectively discharge their duties as Independent Directors of the Company.

The Company has received declarations from the Independent Directors confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations. The Board has verified these disclosures and confirms that the Independent Directors fulfil the conditions of independence specified therein.

In the opinion of the Board, the Independent Directors on the Board of the Company fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

Term of the Independent Director:

In Compliance with provisions of the Section 149 of the Act, the Independent Directors of the Company are appointed for a term of up to five consecutive years and are eligible for re-appointment for a second term in accordance with the provisions of the Act and the Listing Regulations.

At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The template of the letter of appointment is available on our website at www.aarviencon.com.

During the year, Dr. Padma Devarajan (DIN: 08064987) ceased to be an Independent Director of the Company with effect from January 31, 2026, upon completion of her second and final term as an Independent Director. Except above cessation, none of the Independent Director of the Company have resigned during the year.

Further, during the year, the Board of Directors appointed Mr. Jagat Parikh (DIN: 06757116) as an Independent Director of the Company for an initial term of five consecutive years, effective February 2, 2026 in compliance with Listing Regulations. The appointment was subsequently approved by the members of the Company through a resolution passed through postal ballot on March 21, 2026.

Separate Meeting of the Independent Directors:

In accordance with the provisions of Schedule IV of the Act, a separate meeting of the Independent Directors of the Company was held on March 23, 2026. All Independent Directors of the Company as on that date were present at the meeting with no presence of Non-Independent Directors and Members of the Management.

Familiarization Programme for Independent Directors:

All the Independent Directors inducted on the Board were provided an orientation program which inter-alia encapsulates around Company's business model, group structure, and organization structure, polices, Memorandum of Association and Articles of Association of the Company. These programs also intend to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company and enable them to make effective contribution and discharge their functions effectively, as a Board Member.

In addition, regular updates on the innovation, business, strategy, digitization, industry trends, etc. are provided to all Directors including the Independent Directors to keep them updated on the ever-changing industry dynamics.

The familiarization programme and the details of familiarization programme attended by the Independent Directors during the year in terms of provisions of SEBI Listing Regulations is uploaded on the website of the Company and can be accessed at: https://aarviencon.com/storage/app/uploads/public/697/359/434/697359434bbcb476707600.pdf

3. BOARD COMMITTEES

In compliance with the requirements of the Act and the Listing Regulations, the Board of Directors have constituted various Committees. These Committees are entrusted with such powers and functions as detailed in its respective terms of reference. Besides, the Committees help focus attention on specific matters of the organization. These Committees prepare the groundwork for decision making and report the same to the Board at the subsequent meetings.

As the Company is not falling under the list of top 1000 listed entities, the provisions relating to constitution of Risk Management Committee were not applicable to the Company during the year.

There have been no instances during the year where recommendations of the Committees of the Board were not accepted by the Board.

Details of the Committees of the Board and other related information are as follows:

1. Audit Committee

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is, *inter alia,* to oversee the accounting and financial reporting process of the Company, the audit of the Company's financial statements, the appointment, independence and performance of the statutory auditors, the performance of internal auditors, the Company's risk management policies, and effectiveness of systems required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **("PIT Regulations"),** etc.

Composition, Name of the Members and Chairperson

The Composition of the Audit Committee during the year and as on March 31, 2026 is in accordance with the Regulation 18 of Listing Regulations read with Section 177 of the Act. The Committee composition comprising of 4 (Four) qualified members (i.e. 3 Independent Directors and 1 Executive Director) as on March 31, 2026. All the members have financial and accounting knowledge and Mr. Devendra Shrimanker, Chairman of the Audit Committee is a qualified Chartered Accountant and has excellent knowledge, experience and expertise in accounts and finance. The Company Secretary is the Secretary of the Audit Committee.

The Audit Committee met Six (6) times during the year i.e. on May 03, 2025, May 29, 2025, July 01, 2025, August 12, 2025, November 13, 2025, and February 11, 2026. The gaps between two meetings did not exceed 120 days.

The Composition of the Committee and the attendance of the Committee members at the Audit Committee meetings held during the year are as under:

P – Present, A - Absent, NA - Not Applicable

Name of the Member	Category	No. of Meetings Entitled to Attend	Audit Committee Meetings held during FY 2025-26						No. of Meetings Attended
			May 03, 2025	May 29, 2025	July 01, 2025	August 12, 2025	November, 13, 2025	February 11, 2026	
Mr. Devendra Shrimanker	Chairman, Non-Executive Independent Director	6	P	P	P	P	P	P	6
Mr. Jaydev Sanghavi	Member, Executive Director & CFO	6	P	P	P	P	P	P	6
Ms. Sonal Doshi	Member, Non- Executive Independent Director	6	P	P	P	P	P	P	6
Dr. Padma Devarajan*	Member, Non- Executive Independent Director	5	P	P	P	P	P	NA	5
Mr. Ramamoorthy Ramachandran	Member, Non- Executive Independent Director	6	P	P	P	P	P	P	6

*Ceased to be member w.e.f. January 31, 2026.

During the year, Dr. Padma Devarajan ceased to be the Independent Director of the Company and a member of Audit Committee with effect from January 31, 2026 due to completion of her second and final term as an Independent Director of the Company. There were no other changes in the composition of the Audit Committee during the year.

Terms of Reference

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is, *inter alia,* to oversee the accounting and financial reporting process of the Company, audit of the financial statements, the appointment, independence and performance of the statutory auditors, the performance of internal auditors and the Company's risk management policies etc.

The brief terms of reference of the Audit Committee, *inter-alia,* includes:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, terms of appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors report before submission to the board for approval, with particular reference to:

a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Modified opinion(s) / Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly / half yearly and annual financial results and auditor's limited review reports before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors on any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background etc. of the candidate;

20. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

21. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee;

22. Monitoring the end use of funds raised through public offers and related matters;

23. To investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;

24. Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

25. The Audit Committee shall mandatorily review the following information:

    a. management discussion and analysis of financial condition and results of operations;

b. management letters / letters of internal control weaknesses issued by the statutory auditors;

c. internal audit reports relating to internal control weaknesses; and

d. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

e. statement of deviations:

   i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.

   ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations.

26. Carrying out any other functions as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time.

2. Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II of the Listing Regulations.

Composition, Name of the Members and Chairperson

The composition of the Nomination & Remuneration Committee as on March 31, 2026 was comprising of 3 (Three) qualified members (i.e. 3 Independent Directors only). The Company Secretary is the Secretary to the Nomination & Remuneration Committee.

The Nomination and Remuneration Committee met 2 (Two) times during the year, May 29, 2025 and March 23, 2026.

The Composition of the Committee and the attendance of the Committee members at the NRC meetings held during the year are as under:

P – Present, A - Absent, NA - Not Applicable

Name of the Member	Category	No. of Meetings Entitled to Attend	Nomination and Remuneration Committee Meetings held during FY 2025-26		No. of Meetings Attended
			May 29, 2025	March 23, 2026	
Mr. Devendra Shrimanker	Chairman, Non-Executive Independent Director	2	P	P	2
Ms. Sonal Doshi	Member, Non- Executive Independent Director	2	P	P	2
Dr. Padma Devarajan*	Member, Non- Executive Independent Director	1	A	NA	0
Mr. Jagat Parikh#	Member, Non- Executive Independent Director	1	NA	P	1

*Ceased to be member w.e.f. January 31, 2026.

#Appointed as a member w.e.f. February 11, 2026.

During the year, Dr. Padma Devarajan ceased to be the Independent Director of the Company and a member of Nomination & Remuneration Committee with effect from January 31, 2026, due to completion of her second and final term as an Independent Director of the Company and Mr. Jagat Parikh was appointed as the member of the Nomination & Remuneration Committee with effect from February 11, 2026 in compliance with the provisions of the Act and Listing Regulations.

Terms of Reference:

The brief terms of reference of the Nomination and Remuneration Committee, *inter-alia,* includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;

2. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and based on such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment

as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may,

a. Use the services of an external agencies, if required;

b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. Consider the time commitments of the candidates.

3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

4. Devising a policy on diversity of Board of Directors;

5. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

7. Recommend to the board, all remuneration, in whatever form, payable to senior management;

8. While formulating the Policy, the Committee should ensure that-

a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c. Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

9. To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2022.

10. To administer the employee stock option scheme/ plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("ESOP Scheme") including the following:

a. Determining the eligibility of employees to participate under the ESOP Scheme;

b. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;

c. Date of grant;

d. Determining the exercise price of the option under the ESOP Scheme;

e. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;

f. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;

g. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;

h. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

i. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;

j. The grant, vest and exercise of option in case of employees who are on long leave;

k. Allow exercise of unvested options on such terms and conditions as it may deem fit;

l. The procedure for cashless exercise of options;

m. Forfeiture/ cancellation of options granted;

n. Allotment of share upon exercise of options;

o. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:

p. the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;

q. for this purpose, follow global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and

r. the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.

11. To construe and interpret the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme;

12. Such other matters required from time to time by any statutory, contractual or other regulatory requirements by such Committee.

Performance Evaluation

The performance evaluation framework and criteria for the Board, Committee, Individual Directors including the Chairman, Executive Director and Independent Directors is approved by the Nomination and Remuneration Committee. During the year, a detailed questionnaire was circulated to all the Board Members as per their designation and memberships in the Committee. The Board and Committees were generally evaluated on its efficacy, diversity, timeliness and quality of agendas, communication by the management, contribution of Board/Committee in strategy and growth of the Company. The Committees were additionally evaluated on the performance against its terms of reference. The Executive Directors and Chairman were evaluated on their leadership skills, contribution to the brand reputation, meeting targets, strategy, people management etc. The Independent Directors were additionally evaluated on their knowledge, skills, contribution at the Board, bringing outside-in perspective, independent judgement, independence etc.

The performance of the Board, its Committees, Individual Directors including the Independent Directors and Executive Directors was satisfactory. The suggestion of the Board in enhancing the Board practices was taken on record and put to action by the management

Stakeholders Relationship Committee

The composition and terms of reference of the Stakeholders Relationship Committee is in accordance with Regulation 20 read with Part D(B) of Schedule II of the Listing Regulations and Section 178 of the Act.

Composition, Name of the Members and Chairman

The composition of the Stakeholders Relationship Committee as on March 31, 2026 was comprising of 3 (Three) qualified members (i.e. 2 Independent Directors and one Executive Director). The Company Secretary is the Secretary to the Stakeholders Relationship Committee.

During the year, there was no change in composition of the Stakeholders Relationship Committee.

The Committee met once during the year i.e. on March 23, 2026. All the members were present at the meeting.

The Composition of the Committee and the attendance of the Committee members at the NRC meetings held during the year are as under:

P – Present A - Absent

Name	Category	Attendance at the Meetings held during FY 2025-26 (i.e. on March 23, 2026)	
		Held	Attended
Mrs. Sonal Doshi	Chairperson, Non-Executive Independent Director	1	1
Mr. Jaydev Sanghavi	Member, Executive Director	1	1
Mr. Devendra Shrimanker	Member, Non-Executive Independent Director	1	1

Terms of references

The Committee shall oversee all matters pertaining to investors in the Company. The terms of reference of the Stakeholders Relationship Committee, *inter-alia,* includes:

1. To consider and resolve the grievances of security holders of the Company;
2. To approve Transmission / Dematerialisation / Rematerialisation of Equity Shares of the Company.
3. To approve issue of new / duplicate / consolidated / split share certificate(s);
4. To carry out such functions for redressal of shareholders' and investors' complaints, including but not limited to matters relating to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividend and any other grievance that a shareholder or investor of the Company may have against the Company;

5. To oversee the performance of the Registrar and Transfer Agents of the Company and recommend measures for overall improvement in the quality of investor services; and
6. Review of measures taken for effective exercise of voting rights by shareholders;
7. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
8. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
9. To carry out any other function as may be stipulated by any law or regulation or any Government guideline or the Board of Directors, from time to time.

Compliance Officer

Ms. Leela S. Bisht, is the Company Secretary and Compliance Officer of the Company. The contact details of Ms. Bisht is provided below:

Address: B1-603, Marathon Innova, Marathon Nextgen Complex, Lower Parel (West), Mumbai – 400013.

Tel: +91 022 – 4049 9907

Email: cs@aarviencon.com

Investor Grievance Redressal

Ms. Leela S. Bisht, Company Secretary & Compliance Officer, acts as the Compliance Officer of the Company for complying with the requirements of the Listing Regulations and for redressal of investor grievances.

The Committee did not receive any investor complaints during the year under review. Furthermore, there were no investor complaints pending at the beginning of the year, and no complaints remained outstanding as of the end of the year.

The Secretarial Department of the Company and M/s. Bigshare Services Private Limited, Registrar to an issue and Share Transfer Agent ("RTA") of the Company is authorized to take up all the grievances of the shareholders and investors received directly or through SEBI ("SCORES"), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, or any other mode.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions as and when required, for resolving complaints/queries of the shareholders/ investors and takes initiatives for solving critical issues.

To enhance and strengthen the existing dispute resolution framework in the Indian securities market, the SEBI introduced the Online Dispute Resolution ("ODR") Portal vide Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (as subsequently updated on December 20, 2023). The ODR mechanism is designed to facilitate the resolution of disputes between aggrieved parties through a streamlined online process, while reinforcing SEBI's regulatory oversight. The decisions issued through the ODR mechanism are binding on the parties to the dispute.

In accordance with the aforesaid circulars, an aggrieved investor may initiate the ODR process through the ODR Portal after first exhausting the available grievance redressal mechanisms, including raising the matter directly with the Company and, where applicable, through SEBI's SCORES platform.

The link of ODR portal is available at the website of the Company at https://aarviencon.com/investors/shareholders-information-and-announcements

4. PARTICULARS OF SENIOR MANAGEMENT

The particulars of senior management as per Regulation 16(1)(d) of the Listing Regulations including the changes during the FY 2025-26 are as follows:

Name of Senior Management Personnel (SMP)	Designation
Mr. Virendra Sanghavi	Managing Director
Mr. Jaydev Sanghavi	Executive Director
Ms. Leela Bisht	Company Secretary & Compliance Officer
Mr. Tushar Shah	Senior Vice President – Sales & Marketing
Mr. Manoj Ramakrishnan	Senior Vice President - Sales & Marketing
Mr. Mathew Eappen	Senior Vice President – Accounts & Finance
Mr. Manvendra Singh	Associate Vice President – HR & Operations
Mr. Mahesh Repal	Associate Vice President – Sales & Marketing
Mr. Reyaz Khan	General Manager – Sales & Marketing
Mr. Santosh Narayan Kasturi	Assistant General Manager – Human Resources

There have been no changes in the Senior Management since the close of the previous financial year.

5. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Remuneration paid to the Directors and Key Managerial Personnels is in line with the Nomination and Remuneration Policy of the Company as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The said policy is available on the website of the Company at https://aarviencon.com/storage/app/uploads/public/630/5ed/1c8/6305ed1c86d59931166703.pdf

The brief of remuneration criteria for each category of Directors and Key Managerial Personnel is provided hereinafter:

Managing Director & Whole-Time Director

The remuneration/compensation/commission etc. to the Managing Director, Whole time Director is determined by the Nomination and Remuneration Committee and recommended to the Board for its approval which is subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The overall remuneration and commission paid to the Managing Director/Whole-time Director/Executive Director is in accordance with the Articles of Association of the Company and as per the provisions of the Schedule V and other applicable provisions of the Act and other applicable rules made thereunder.

Revision to the existing remuneration/compensation structure may be recommended by the Nomination and Remuneration Committee to the Board subject to approval of the Shareholders, if necessary, in the case of Managing Director/Whole-time Director/Executive Director and would be based on the individual's performance as well as the Company's overall performance.

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Executive Directors shall not be entitled to any stock options of the Company.

Non-Executive Directors & Independent Directors

The Non-Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of the Board or Committee thereof. The Independent/ Non-Executive Director shall be entitled to reimbursement of expenses for participation in the Board, Committee and other meetings.

However, in the case of Non-Executive Director, Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

The Non-Executive Directors and Independent Directors shall not be entitled to any stock options of the Company.

Details of Remuneration

Remuneration paid to Executive Directors and sitting fees paid to Non- Executive Independent Directors for attending Board / Committee Meetings and profit related commission paid to Executive Directors, during the year ended March 31, 2026, are as under:

Directors	Sitting Fees (₹)	Salary & Allowances (₹)	Perquisites (₹)	Commission (₹)	Share Holding as on 31-03-2026 (in Nos.)
Mr. Virendra D. Sanghavi	-	1,18,80,000	-	49,20,000	75,95,000 (51.28%)
Mr. Jaydev V. Sanghavi	-	92,40,000	-	75,60,000	21,82,500 (14.74%)
Mr. Devendra J. Shrimanker	4,60,000	-	-	-	-
Mrs. Sonal N. Doshi	4,60,000	-	-	-	-
Dr. Padma V. Devarajan*	3,30,000	-	-	-	-
Mr. Ramamoorthy Ramachandran	4,05,000	-	-	-	-
Mr. Jagat Parikh#	35,000	-	-	-	-

*Ceased to be the Independent Director w.e.f. January 31, 2026.
#Appointed as an Independent Director w.e.f. February 2, 2026.

No severance fee is payable to any Executive Director. The appointment of the Managing Director and Executive Director is governed by the terms and conditions approved by the Board and the Members of the Company. The present Directors of the Company are not entitled to any stock options of the Company.

6. GENERAL BODY MEETINGS

Annual General Meeting ("AGM")

The details of Annual General Meetings held during the last three years are given below:

Financial Year	Meeting details	Date and Time of the Meeting	Venue
2024-25	37th AGM	Friday, August 8, 2025, at 11:00 A.M	Video Conferencing/ Other Audio-Visual Means
2023-24	36th AGM	Friday, August 2, 2024, at 11:00 A.M	
2022-23	35th AGM	Saturday, September 23, 2023, at 11.00 A.M	

The details of Special Resolutions passed in the AGMs held in last three years are given below:

Meeting details	Date and Time of the Meeting	Special Resolutions passed at the Meeting
37th AGM	Friday, August 8, 2025, at 11:00 A.M	1. To Approve the remuneration of Mr. Virendra D. Sanghavi (DIN: 00759176), Managing Director of the Company 2. To Approve the remuneration of Mr. Jaydev V. Sanghavi (DIN: 00759042), Executive Director & Chief Financial Officer of the Company.
36th AGM	Friday, August 2, 2024, at 11:00 A.M	None
35th AGM	Saturday, September 23, 2023, at 11.00 A.M	None

Extraordinary General Meeting:

No Extra-Ordinary General Meeting of the Members of the Company was held during the FY 2025-26.

Postal Ballot

During the year, the Company sought the approval of its shareholders through a postal ballot conducted via a remote e-voting process ("remote e-voting") for the appointment of Mr. Jagat Parikh (DIN: 06757116) as a Non-Executive Independent Director of the Company.

The Notice of Postal Ballot was issued in compliance with the provisions of the Act read with applicable Rules made thereunder, the SEBI Listing Regulations and the MCA Circulars issued from time to time in this regard.

Following are the details of the resolution passed through Postal Ballot during the year:

<table>
<tr><th rowspan="2">Sr. No.</th><th rowspan="2">Date of Circulation of Notice</th><th rowspan="2">Date of passing of the Resolution</th><th colspan="3">Particulars of the Resolution and details of remote e-voting</th><th rowspan="2">Scrutinizer</th></tr>
<tr></tr>
<tr><td rowspan="3">1.</td><td rowspan="3">February 11, 2026</td><td rowspan="3">March 21, 2026</td><td colspan="3">Appointment of Mr. Jagat Parikh (DIN: 06757116) as a Non - Executive Independent Director of the Company.
Voting Result (Special Resolution)</td><td rowspan="3">ADCN & Company (formerly known as Amrita Nautiyal & Associates) Practicing Company Secretary
Amrita Nautiyal - Proprietor (Membership No. F5079 and Certificate of Practice No. 7989)</td></tr>
<tr><td>No. of Votes Polled</td><td>Votes in favour of the resolution</td><td>Votes against the resolution</td></tr>
<tr><td>1,09,96,559</td><td>1,09,96,523 (99.9997%)</td><td>36 (0.0003%)</td></tr>
</table>

Other than the matter stated above, there were no other businesses for which approval was obtained through Postal Ballot during the year.

Procedure for Postal Ballot:

The postal ballot was carried out in compliance of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time. The detailed procedure on voting through remote e-voting was provided in the notice of the postal ballot.

Details of special resolution proposed to be transacted through postal ballot:

None of the business proposed to be transacted at the ensuing AGM require passing of resolution through postal ballot.

7. MEANS OF COMMUNICATION

Quarterly/ Half yearly/Annual Results:

The financial results are submitted to the National Stock Exchange of India Limited ("NSE/Stock Exchange"), where the shares of the Company are listed, immediately after approval by the Board and are thereafter published in newspapers and hosted on the Company's website.

Newspaper wherein results normally published:

During the year, the Company has complied with Regulation 47 of the Listing Regulations and has published its quarterly, half yearly and annual financial results in Business Standard (English language Newspaper) and in Mumbai Loksaktta (Marathi language newspaper (local vernacular language)). The newspaper publications are also available on the website of the Company.

Website:

The Company's website i.e. www.aarviencon.com contains a separate section under the name of "Investors" where shareholders' information is available. The Company's Financial Results and Annual Reports are also available on the Company's website in a downloadable form.

Display in official news releases:

The financial results and the official news releases are also displayed on the Company's website at https://aarviencon.com/investors/financial-results. Official media releases are sent to the Stock Exchange before their release to the media for wider dissemination.

Presentations made to institutional investors or to the analysts

Presentations made to the media, analysts, institutional investors, etc., if any, has been uploaded on the Stock Exchange with statutory timeline. The same are also posted on the Company's website at https://aarviencon.com/investors/investor-presentation

NSE Electronic Application Processing System ("NEAPS")

NEAPS is a web-based platform developed by the NSE to facilitate electronic submission of corporate compliance filings by listed entities. The Company has consistently complied with the filing requirements through the NEAPS portal and has regularly submitted statutory and regulatory disclosures, including Shareholding Pattern, Corporate Governance Reports, Integrated Filings (Governance & Financials), Corporate Announcements, and other periodic compliance filings within the prescribed timelines.

SEBI Complaints Redress System ("SCORES"):

SCORES is a centralized, web-based grievance redressal platform established by the SEBI for processing and monitoring investor complaints. The system enables online registration and tracking of complaints, submission of Action Taken Reports by listed entities, and provides investors with real-time visibility into the status and resolution of their grievances. The Company has registered itself on the SCORES platform to provide investors an platform to raise their genuine concerns in compliance with applicable statutory provisions.

8. GENERAL SHAREHOLDER INFORMATION

38th (Thirty-Eight) Annual General Meeting

Day, Date and Time: Friday, August 14, 2026 at 11.00 a.m. (IST)

Venue: Meeting will be held through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")

Financial Year: 1st April to 31st March

Payment of Dividend: Within 30 days from the date of Annual General Meeting i.e. on or before September 12, 2026

Listing on Stock Exchanges

The Company's equity shares are listed and actively traded on the National Stock Exchange of India Limited ("NSE') (NSE Symbol: AARVI) (ISIN: INE754X01016)

National Stock Exchange of India Limited

Address: Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051,

Website: www.nseindia.com.

Payment of listing fees:

The Annual Listing Fees for the FY 2025-26 and FY 2026-27 to NSE have been paid by the Company within the prescribed time.

The Annual Custodian Fees for the FY 2025-26 and FY 2026-27 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have been paid by the Company within the prescribed time.

In case the securities are suspended from trading, the Directors Report shall explain the reason thereof:

None of the securities of the Company are suspended from trading during the year.

Registrar to an Issue & Share Transfer Agent ("RTA"):

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093,
Maharashtra, India
Contact No: +91 022 – 62638200
Email: aliya@bigshareonline.com
www.bigshareonline.com

Share Transfer System

In terms of the Regulation 40(1) of Listing Regulations, with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialised form (except transmission of securities or transposition in the name(s) of holding). Accordingly, the shares held in physical form will not be transferred unless they are converted into dematerialized form. Transfers of equity shares in electronic form are effected through the depository system with no involvement of the Company.

All the shares of the Company are in dematerialized form.

Distribution of Shareholding

Statement showing Shareholding Pattern as on March 31, 2026.

Category of Shareholders	Number of shares	% of Shareholding
Shareholding of Promoter and Promoter Group	**1,08,89,692**	**73.53**
Mutual Funds	**0**	**0.00**
Central Government/state Government(s)	**0**	**0.00**
Financial Institutions / Banks	**0**	**0.00**
Foreign Institutional Investors (Including FPI)	**251**	**0.00**
NBFC Registered with RBI	**0**	**0.00**
Bodies Corporate	**1,20,207**	**0.81**
Individual shareholders holding nominal share capital up to ₹ 2 lakhs	**20,99,549**	**14.18**
Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	**8,09,585**	**5.47**
Clearing Members	**4,734**	**0.03**
Non-Resident Indians	**2,15,672**	**1.46**
Foreign Companies	**0**	**0.00**
Other Directors	**0**	**0.00**
HUF	**6,71,010**	**4.53**
Trusts	**0**	**0.00**
IEPF	**0**	**0.00**
TOTAL	**1,48,10,700**	**100.00**

Distribution of Shareholding by Size as on March 31, 2026

No. of Shares held	No. of shareholder	% to no. of shareholders	No. of shares	% to no. of shares
1 – 500	8105	88.2994	581500	3.9174
501 – 1000	557	6.0682	442276	2.9795
1001 – 2000	285	3.1049	446522	3.0081
2001 – 3000	82	0.8933	204672	1.3788
3001 – 4000	36	0.3922	130197	0.8771
4001 – 5000	28	0.3050	130398	0.8778
5001 – 10,000	53	0.5774	388889	2.6198
> 10,001	33	0.3595	12486346	84.1166
Total	**9176**		**14810700**	**99.7750**

Dematerialization of shares as on March 31, 2026

The Company’s shares are traded in dematerialized form and are available for trading on both the Depositories in India - National Securities Depository Ltd. (“NSDL”) and Central Depository Services (India) Ltd. (“CDSL”).

As on March 31, 2026, the distribution of shares of the Company with NSDL and CDSL was as follows:

Particulars of Shares	Equity Shares of ₹10/- each	
Dematerialized form	**Number**	**% of total**
CDSL	1,28,02,545	86.44
NSDL	20,08,155	13.56
Total	**1,48,10,700**	**100.00**

Liquidity

The Company’s equity shares are actively traded on NSE.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments as of March 31, 2026.

Dividend Distribution Summary

Financial Year	Amount of Dividend	Date of Payment	Dividend tax / (TDS) (₹)	%	Unpaid Dividend as on March 31, 2026 (₹)	Due date for transfer to IEPF
2024-25	2,69,38,973	18/08/2025	26,82,427	20	17,278.00	17-08-2033
2023-24	2,68,47,137	09/08/2024	27,20,863	20	24,356.00	08-08-2032
2022-23	2,95,68,000	26/09/2023	27,64,429	20	16,337.00	28-09-2031
2021-22 (Final)	2,21,76,000	03/08/2022	21,07,076	15	31,019.50	02-08-2030
2021-22 (Interim)	73,92,000	01/12/2021	6,86,840	5	19,537.50	30-11-2029
2020-21	2,21,76,000	05/08/2021	20,33,572	15	34,172.00	04-08-2028
2019-20	1,47,84,000	01/10/2020	10,68,470	10	150.00	30-09-2027
2018-19	1,47,84,000	19/08/2019	30,38,895	10	2,000.00	18-08-2026
2017-18	73,92,000	04/09/2018	15,04,837	5	0	0
2016-17	31,00,000	01/03/2017	6,29,222	10	0	0
2015-16	62,00,000	19/02/2015	12,62,174	20	0	0

Unclaimed Dividend and shares transferred to Investor Education and Protection Fund ('IEPF') Account:

In accordance with the provisions of sections 124 and 125 of the Act and IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time ('IEPF Rules'), dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the IEPF Account and such shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more are also required to be transferred by the Company to the IEPF Account.

During the year under review, no amount or shares were required to be transferred to the IEPF. Accordingly, as of March 31, 2026, no amount or shares pertaining to the Company were lying unclaimed or held in the IEPF account.

Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

Risk Management with respect to the Commodities and Forex:

Risk Management only pertains to forex transactions pursued by the Company in the normal course of business. The Company has formed strategies for dealing with the same. There is no commodity price risk.

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

The Company does not have any exposure hedged through commodity during the FY 2025- 26.

Plant Locations: Not Applicable, as the Company operates in the Service Sector.

Address for Correspondence

Queries may be addressed to:

Mr. Jaydev Sanghavi,

Executive Director & Chief Financial Officer,
Aarvi Encon Limited,
B1-603, Marathon Innova, Marathon Nextgen Complex,
Lower Parel (West), Mumbai – 400013.
Tel: +91 022 – 4049 9999
Email: info@aarviencon.com

Ms. Leela Bisht
Company Secretary and Compliance Officer
Aarvi Encon Limited,
B1-603, Marathon Innova, Marathon Nextgen Complex,
Lower Parel (West), Mumbai – 400013.
Tel: +91 022 – 4049 9907
Email: cs@aarviencon.com

Shareholders' correspondence can be addressed to Company's Registrar to an Issue & Share Transfer Agent at the below mentioned address:

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093
Contact No.: 022 – 62638200
Email: aliya@bigshareonline.com | www.bigshareonline.com

Credit Ratings

During the year, CRISIL Ratings Limited had reaffirmed the Company's credit ratings as follows:

- Long-term Bank Facilities: **CRISIL BBB/Stable**
- Short-term Bank Facilities: **CRISIL A3+**

The ratings reflect the Company's established operational track record, diversified service portfolio, cost competitiveness and prudent financial management.

9. OTHER DISCLOSURES

Policy on materially significant Related Party Transactions

The Company has formulated a policy on dealing with related party transactions. This policy provides for process to be followed for identification, approval and monitoring of transactions with the Related Parties. The Policy mandates that the transactions with Related Parties shall be approved by the Audit Committee.

If it does not meet the criteria of arm's length and in ordinary course of business, additional approval of the Board is also required. Additionally, if it cross the threshold prescribed under Section 188 Act and/or Regulation 23 of the Listing Regulations, approval of the shareholders shall also be required. It mandates the Board and the Key Managerial Personnel to disclose about their interest in any transactions to ensure proper tracking of the transactions with the Related Party. The Policy on Related Party Transactions is hosted on the Company's website at https://aarviencon.com/storage/app/uploads/public/67a/a0a/b09/67aa0ab0953d8420842345.pdf

During the year, no transactions of material nature had been entered into by the Company that may have a potential conflict of interest of the Company at large. Refer to Note 23 to the Financial Statements for disclosure of related party transactions.

Whistle Blower/Vigil Mechanism Policy

The Company has formulated Vigil Mechanism / whistleblower policy with an aim to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy system which is embedded in its Code of Conduct. The Vigil Mechanism provides adequate safeguards against victimization of persons who use the mechanism. The Code of Conduct of the Company serves as a guide for daily business interactions, reflecting the Company's standard for appropriate behavior and living Corporate Values. This policy is placed on the Company's website https://aarviencon.com/investors/policies

It is affirmed that no person has been denied direct access to the chairperson of the Audit committee. During the year, no whistleblower complaints were received.

Code of Conduct for Prevention of Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading ("PIT Code") in accordance with the provisions of the PIT Regulations.

The Board has appointed the Company Secretary as the Compliance Officer under the PIT Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the PIT Code under the overall supervision of the Board.

The Company's PIT Code, *inter alia,* prohibits the purchase and/or sale of shares of the Company by an insider, while in possession of Unpublished Price Sensitive Information in relation to the Company during certain prohibited periods.

It also provides for the period during which the trading window shall remain closed thereby prohibiting the Designated Persons to trade in securities of the Company.

Policy on Determining Material Subsidiaries

The Company has adopted policy for determining Material Subsidiaries in accordance with Regulation 24 of the Listing Regulations; the said policy is placed on the Company's website https://aarviencon.com/storage/app/uploads/public/67a/a0b/a39/67aa0ba39ca41071352743.pdf

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. A report on significant developments of the unlisted subsidiary companies is periodically placed before the Board of Directors of the Company.

The Company has four subsidiary Companies, two step down subsidiaries and one Associate Company as on March 31, 2026.

Details of the material subsidiary of the Company, including the date and place of incorporation and the name and date of appointment of statutory auditor of such subsidiary company.

Aarvi Encon FZE, wholly owned subsidiary, continues to be a Material Subsidiary in terms of Regulation 16(1)(c) of the Listing Regulations as on March 31, 2026.

Name of Subsidiaries	Date and Place of Incorporation	Name of Statutory Auditors	Date of Appointment
Aarvi Encon FZE	October 10, 2015, United Arab Emirates	M/s Spectrum Auditing, United Arab Emirates	April 27, 2023

Policy for Selection and Appointment of Directors, Key Managerial Personnels and Senior Management

The Board understands the importance of a diversified board and its impact on the performance of the Company. Given the positive attributes of having a diversified Board, Nomination and Remuneration Committee has adopted a policy which, *inter alia,* deals with the manner of selection of Board of Directors and payment of their remuneration. The brief of the policy is provided below:

Managing Director& Whole-Time Director

The Managing Director & Whole-Time Director shall be appointed on the basis of their qualification, expertise and experience in the Business of the Company. The term of the appointment or re-appointment of Managing Director & Whole-Time Director shall be for the period of five years. The Company shall not appoint or continue the employment of any person as Managing Director or Whole-Time Director who has attained the age of seventy years, provided that the term of such person may be extended by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Non-Executive Directors & Independent Directors

The appointment of Non- Executive Directors or Independent Director will be dependent on the requirements, current board composition, experience and expertise required at the Board and Committee level.

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the members of the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of 5 years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent

Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. The appointment of the Independent Directors shall be in accordance with Schedule IV to the Act.

KMP and Senior Management

A person to be appointed as a KMP or Senior Management should possess adequate qualifications, knowledge and expertise. The Nomination and Remuneration Committee has discretion to decide whether qualification, knowledge and expertise possessed by a person is sufficient/ satisfactory for the concerned position.

The Nomination and Remuneration Policy is available at the website of the Company at https://aarviencon.com/storage/app/uploads/public/67a/a0e/f61/67aa0ef6102c3166582412.pdf

Details of Non-compliance

The Company has complied with the requirements of regulatory authorities on capital markets; hence there are no non-compliances for which penalty/stricture was imposed by the stock exchange(s) or SEBI or any other statutory authority or any other matter related to capital markets of the Company during the last three years except the following.

FY	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Non-Compliance	Details of action taken E.g. fines, warning letter, debarment, etc.	Management Response
2025-26	Regulation 17(1)(c) of the Listing Regulations stipulates that the Board of Directors of the top 2,000 listed entities (based on market capitalization) shall comprise not less than six directors.	During the period under review, the Company did not maintain the minimum strength of six directors on its Board as required under Regulation 17(1)(c) of the Listing Regulations.	5,000/- (Imposed by National Stock Exchange of India)	The following section outlines the changes in the Board's composition and the circumstances that led to the temporary shortfall in its minimum required strength: **Resignation of Director:** Dr. Padma Venkitachalam Devarajan (DIN: 08064987) completed her scheduled term as an Independent Director of the Company effective from the close of business hours on January 31, 2026. With this, she ceased to be a Member of the Nomination and Remuneration Committee. **Appointment of New Director:** Following a comprehensive search to ensure alignment with the Board's required skill sets, the Board of Directors, through circular resolution passed on January 31, 2026, approved the appointment of Mr. Jagat Suresh Parikh (DIN: 06757116) as an Additional, Non-Executive Independent Director for a term of five consecutive years effective from February 2, 2026 basis the consent and availability of Mr. Parikh **Reconstitution of Nomination and Remuneration Committee (NRC'):** The Board of Directors of the Company at its meeting held on February 11, 2026, reconstituted the NRC by inducting Mr. Jagat Suresh Parikh as a member of the Committee effective from February 11, 2026. We further clarify no meetings of NRC were held during the interim period.
2025-26	Regulation 19(1) of the Listing Regulations provides that the Nomination and Remuneration Committee shall comprise at least three directors, all of whom shall be non-executive directors, with at least two-thirds being independent directors.	During the Period under Review, the Nomination and Remuneration Committee did not comprise of minimum 3 three directors	20,000/- (Imposed by National Stock Exchange of India)	

Statement of Utilization of funds

During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulation.

Certificate of Non – Disqualification of Directors

Based on the declaration / confirmation made by the Director, the Company has obtained a Certificate from M/s. ADCN & Company, Practicing Company Secretary, confirming that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority. The copy of the same forms part of this Annual Report.

Statutory Auditor Fee

The total fees for all services paid by the Company and its subsidiaries to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part on consolidated basis for the FY 2025-26 is ₹ 20,73,000 (Refer Note No. 21 as notes to Consolidated Audited Financial Statements).

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"):

The Company is committed to uphold and maintain the dignity of woman employees and it has in place a policy which provides protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. The Company has also constituted an Internal Complaints Committee under the POSH Act. The number of complaints received during the FY 2025-26 are provided below:

Sr. N.	Particulars	No. of Complaints
a.	Number of complaints filed during the Financial Year	1
b.	Number of complaints disposed of during the year	1
c.	Number of complaints pending as on end of the year	NIL

Nature of Action Taken:

The Company received one complaint during the year under the provisions of the POSH Act. The Internal Committee conducted a thorough inquiry in accordance with the prescribed procedure. Based on the findings of the inquiry, the respondent was found guilty of misconduct, and appropriate disciplinary action was taken, including termination of employment and blacklisting from the Company's database.

The Company remains committed to providing a safe, secure and respectful work environment for all its employees. To strengthen awareness and promote a culture of dignity and respect at the workplace, the Company ensures that all employees, irrespective of their place of posting, undergo mandatory induction and awareness sessions on the Prevention of Sexual Harassment (POSH) Policy at the time of onboarding, along with periodic sensitization programmes, as applicable.

Compliance with mandatory Requirements

During the year, the Company has complied with the mandatory requirements of Listing Regulations. In terms of Corporate Governance, the Company has complied with the applicable requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, except as disclosed under "Details of Non-compliance".

Compliance with the Discretionary Requirements under the Listing Regulations

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of the Listing Regulations and requirements as specified in Part E of Schedule II.

In addition, The Company has complied with the following discretionary requirements under Part E of Schedule II of the Listing Regulations, to the extent applicable:

- During the year, there is no audit qualification in the Company's Financial Statements, nor has there been a matter of emphasis made during the year.
- The Company follows a robust process of communicating with the Shareholders which have been elaborated in the Report under the heading 'Means of Communication'.

Loans and Advances

The Company and its subsidiaries have not advanced any 'Loans and advances' in nature of loans to firms/ companies in which Directors are interested.

Acceptance of Recommendation of the Committees

The Board has accepted all the recommendations of the Committees of the Board.

Accounting Standards

The Company has followed Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs in the preparation of its financial statements.

Affirmation of Compliance with Code of Conduct

The Company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code has been circulated to all the members of the Board and Senior Management Personnel and the same has been posted on the Company's website.

As a part of Disclosure and consents at the time of appointment, the Directors are required to sign the Code. Additionally, they also have to provide an annual confirmation on adherence to the Code on an annual basis.

A declaration by the Managing Director, regarding affirmation of the compliance with the Code of Conduct by Board Members and Senior Management for the financial year ended March 31, 2026, is annexed to this Report.

Compliance Certificate on Financial Statements

Pursuant to Regulation 17(8) of the Listing Regulations, a compliance certificate issued by the Managing Director and the Chief Financial Officer on the financial statements, cash flow statement and internal control relating to financial reporting for the FY 2025-2026 is annexed to this Report.

Disclosure of agreements binding listed entities:

Company has not entered into any binding agreements as referred to under clause 5A of paragraph A of Part A of Schedule III of the Listing regulations.

Demat Suspense Account or Unclaimed Suspense Account:

The Company further confirms that none of its securities are lying in the Demat Suspense Account or Unclaimed Suspense Account. All the shares of the Company are held in Dematerialized form, and there are no outstanding physical share certificates or unclaimed shares requiring such treatment.

Certificate on Corporate Governance

A Certificate from M/s. ADCN & Company, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Schedule V (Part E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms part of this Annual Report.

For and on behalf of the Board of Directors
Aarvi Encon Limited.
Sd/-
Virendra D. Sanghavi
Managing Director
DIN: 00759176
Date: 6th July, 2026
Place: Mumbai

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted the Code of Conduct for its Board Members including Independent Directors and Senior Management. This Code is posted on the Company's website.

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2026.

For and on behalf of the Board of Directors

Aarvi Encon Limited.

Sd/-
Virendra D. Sanghavi
Managing Director
DIN: 00759176
Date: 6th July, 2026
Place: Mumbai

Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015

To,

The Members of
Aarvi Encon Limited

We have examined the compliance of the conditions of Corporate Governance by Aarvi Encon Limited ('the Company') for the year ended on 31st March 2026, as stipulated under Regulations 17 to 27, clauses (ab) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended on 31st March 2026, except for the instances noted below:

a) *During the period under review, the Company did not maintain the minimum strength of six directors on its Board as required under Regulation 17(1)(c) of the Listing Regulations for one day i.e., 1st February 2026.*

b) *During the period under review, the Nomination and Remuneration Committee did not comprise a minimum of 3 three directors for 10 days i.e., 01st February 2026 to 10th February 2026.*

These non-compliance instances and management's responses are detailed in the Secretarial Audit Report for FY 2025-26 (Form MR-3).

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

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

For ADCN & Company
(Formerly known as Amrita Nautiyal & Associates)
Practicing Company Secretary
Name: Amrita DC Nautiyal - Proprietor
COP No. 7989
ICSI Membership No. F5079
UDIN: F005079H000759855 **Date: 6th July 2026**
Peer Review Certificate No.: 8142/2026 **Place: Mumbai**

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
Aarvi Encon Limited,
B1-603, Marathon Innova, Marathon NextGen,
Lower Parel, Mumbai – 400013, India

We have examined the declarations and disclosures as submitted by the Directors of Aarvi Encon Limited having CIN: L29290MH1987PLC045499 and having registered office at B1-603, Marathon Innova, Marathon NextGen, Lower Parel, Mumbai – 400013, India (hereinafter referred to as 'the Company'), and relevant registers, records, forms and returns produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion, and to the best of our information and according to the verifications carried out by us (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), and based on the explanations provided to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below for the Financial Year ended on 31st March 2026, and upto the date of issuing this certificate, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Sr. No.	Name of Director(s)	DIN	Date of Appointment*
1	Mr. Virendra Dalpatram Sanghavi	00759176	03rd December 1987
2	Mr. Jaydev Virendra Sanghavi	00759042	09th November 2005
3	Mrs. Sonal Nitin Doshi	06672497	03rd June 2017
4	Mr. Devendra Jashwantrai Shrimanker	00385083	03rd June 2017
5	Mr. Ramamoorthy Ramachandran	07049995	23rd January 2023
6	Mr. Jagat Suresh Parikh	06757116	02nd February 2026
7	Mrs. Padma Devarajan**	08064987	01st February 2018

**As per the original date of appointment appearing on the MCA portal.*

*** Completed her second term as Independent Director on 31st January 2026.*

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For ADCN & Company
(Formerly known as Amrita Nautiyal & Associates)
Practicing Company Secretary
Name: Amrita DC Nautiyal - Proprietor
COP No. 7989
ICSI Membership No. F5079
UDIN: F005079H000759723
Peer Review Certificate No.: 8142/2026

Place: Mumbai
Date: 6th July 2026

Annexure - 6

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Global Economy

The global economy remained relatively resilient during the early part of FY2025-26, supported by stable macroeconomic conditions, easing inflationary pressures, and resilient consumer demand across advanced and emerging economies. Economic activity in the United States remained firm, driven by a healthy labour market and continued investments in artificial intelligence, technology and infrastructure, while China's growth remained relatively subdued amid persistent weakness in the real estate sector and softer domestic demand.

Global economic activity during the year was influenced by evolving trade policies, shifting financial conditions, and changing geopolitical dynamics. Tariff measures and export restrictions among major economies accelerated supply chain diversification and prompted businesses to strengthen operational resilience. However, these developments also contributed to elevated policy uncertainty and moderated the pace of global trade growth.

Inflationary pressures eased across several major economies, enabling many central banks to gradually adopt a more accommodative monetary policy stance. However, policymakers remained cautious as geopolitical uncertainties, commodity price volatility, and evolving trade dynamics continued to pose risks to the inflation outlook and broader financial stability.

Economic momentum moderated during the latter part of the fiscal year as geopolitical tensions, particularly in the Middle East, intensified. The resulting uncertainty led to volatility in energy and commodity markets, disrupted trade flows, and dampened investment activity. Financial markets also experienced heightened volatility, with elevated bond yields and cautious investor sentiment impacting capital flows, particularly across emerging economies.

Despite these challenges, investments in artificial intelligence (AI), cloud computing, digital infrastructure, automation, clean energy, and advanced manufacturing continued to support business investment and productivity across several economies. These structural trends, together with ongoing supply chain diversification, remained key drivers of long-term global economic resilience.

According to the International Monetary Fund (IMF), global economic growth is projected at approximately 3.1% in calendar year 2026, remaining below its long-term historical average. While continued expansion in services and technology-led investments is expected to support growth, geopolitical developments, trade-related uncertainties, tighter financial conditions, and commodity price volatility are likely to moderate the pace of global economic activity.

Looking ahead, the global economy is expected to remain resilient despite a challenging operating environment. Continued digital transformation, wider adoption of artificial intelligence, clean energy investments, and supply chain diversification are expected to support medium-term growth. Nevertheless, geopolitical tensions, evolving trade policies, and financial market volatility are expected to remain key monitorable risks to the global economic outlook.

Source:

https://www.imf.org/-/media/files/publications/weo/2026/april/english/text.pdf

https://www.reuters.com/business/imf-sees-steady-global-growth-2026-ai-boom-offsets-trade-headwinds-2026-01-19/?.com

B. Indian Economy

India remained one of the fastest-growing major economies during FY2025-26, demonstrating resilience despite an uncertain global environment marked by geopolitical tensions, commodity price volatility, and evolving trade dynamics. Growth was supported by strong domestic demand, continued public capital expenditure, stable financial conditions, and sustained policy support, reflecting the strength of the country's macroeconomic fundamentals.

According to the Ministry of Statistics and Programme Implementation (MoSPI), India's real Gross Domestic Product (GDP) expanded by 7.7% during FY2025-26. Economic activity was primarily driven by robust private consumption and sustained investments in infrastructure, while the services sector continued to exhibit strong momentum. Manufacturing activity also improved gradually, supported by government initiatives such as the Production Linked Incentive (PLI) scheme and continued capacity expansion across key industries.

On the external front, global trade moderation, uneven demand across export markets, and evolving trade policies created headwinds for India's merchandise exports during the year. At the same time, the Government continued to strengthen India's long-term trade competitiveness through ongoing Free Trade Agreement (FTA) negotiations and deeper economic engagement with strategic partner countries, supporting greater integration with global value chains.

Inflation remained broadly within the Reserve Bank of India's target range during the year, with consumer price inflation moderating to approximately 3.4% in March 2026, aided by easing food prices and supply-side interventions. In view of the evolving macroeconomic environment, the Reserve Bank of India maintained a calibrated and data-dependent monetary policy approach, balancing growth objectives with price stability while keeping the policy repo rate at 5.25% in June 2026.

India's financial system remained resilient, supported by healthy bank balance sheets, improved asset quality, adequate capitalisation, and steady credit growth. The Indian Rupee witnessed moderate depreciation against the US Dollar during the year, reflecting global risk aversion, geopolitical developments, and evolving trade dynamics. Nevertheless, the country's strong foreign exchange reserves, prudent macroeconomic management, and resilient banking system continued to provide stability against external shocks.

Looking ahead, the Reserve Bank of India projects economic growth of around 6.6% in FY 2026-27, reflecting a gradual moderation from the previous year amid global uncertainties and evolving trade conditions. Over the medium term, India's growth outlook remains supported by favourable demographics, continued infrastructure development, rapid digitalisation, manufacturing expansion, and ongoing structural reforms. However, geopolitical developments, commodity price volatility, external demand conditions, and global financial market uncertainty will continue to remain key monitorable risks to the growth outlook.

Source:

https://www.reuters.com/world/india/indias-central-bank-holds-rates-iran-war-upends-economic-outlook-2026-04-08/

https://www.moneycontrol.com/news/business/economy/rbi-lifts-fy26-gdp-growth-estimate-to-7-6-sees-fy27-slowing-to-6-9-13883085.html

https://economictimes.indiatimes.com/news/economy/indicators/rbi-expected-to-hold-rates-amid-economic-growth-concerns-says-crisil-report/articleshow/130594350.cms

https://www.business-standard.com/economy/news/gdp-growth-may-slip-to-6-if-indian-crude-averages-120-barrel-in-fy27-ey-126042900676_1.html

https://www.mospi.gov.in/uploads/latestReleases/latest_release_1780655857536_5ac01869-ca4a-422d-b7a7-57b81da60932_Press_Note_on_GDP_Estimates_for_Q4_2025-26_and_PE_FY_2025-26_F.pdf

https://economictimes.indiatimes.com/news/economy/indicators/rbi-gdp-growth-forecast-fy-2026-27-mpc-meeting-india-economic-outlook-gdp-forecast-india/articleshow/131519300.cms?from=mdr

C. Global Staffing

The global staffing and recruitment industry witnessed steady expansion during FY 2025–26, supported by increasing demand for skilled professionals, workforce flexibility, and technology-enabled hiring solutions. The global recruitment market is estimated at approximately USD 968.33 billion in 2026 and is projected to reach USD 2,932.15 billion by 2035, registering a compound annual growth rate (CAGR) of approximately 13.1% during the forecast period. Growth is being driven by increasing demand for specialised talent, outsourcing of recruitment functions, digital transformation, and evolving workforce strategies across industries.

Technology continued to reshape the staffing landscape, with Artificial Intelligence (AI), automation, applicant tracking systems, and data-driven recruitment becoming integral to hiring processes. Organisations increasingly adopted skills-based hiring and digital recruitment solutions to improve candidate sourcing, streamline hiring, and enhance workforce productivity. At the same time, flexible workforce models, including contract staffing, project-based hiring, and remote work, continued to gain traction as businesses sought greater operational agility.

Demand for staffing services remained robust across engineering, infrastructure, manufacturing, renewable energy, healthcare, information technology, financial services, logistics, and Global Capability Centres (GCCs). Continued investments in industrialisation, digital transformation, energy transition, infrastructure development, and economic diversification across Asia-Pacific and the Middle East created significant opportunities for specialised staffing providers. Persistent skill shortages and changing workforce expectations further reinforced the need for professional recruitment and workforce management services.

Looking ahead, the global staffing industry is expected to maintain a positive growth trajectory, supported by continued digitalisation, wider adoption of Artificial Intelligence, increasing investments across industrial sectors, and sustained demand for specialised talent. Staffing companies with strong domain expertise, technology-enabled recruitment capabilities, global delivery models, and scalable workforce solutions are expected to play an increasingly strategic role in helping organisations address evolving talent requirements and support long-term business growth.

Recruitment Trends Evolving in 2026

1. **AI-Driven and Skills-Based Hiring:** Artificial Intelligence (AI), automation, and predictive analytics are transforming recruitment by streamlining candidate sourcing, screening, and workforce planning. At the same time, organisations are increasingly adopting skills-based hiring practices, placing greater emphasis on competencies and practical expertise to address evolving talent requirements.

2. **Flexible Workforce and Remote Hiring:** Hybrid work models, remote hiring, and contract staffing continue to gain momentum as organisations seek greater workforce flexibility and access to wider talent pools. Cross-border hiring and digital onboarding have become integral components of modern recruitment strategies, enabling businesses to efficiently source specialised talent across geographies.

3. **Rising Demand for Specialised Talent:** Growing investments in digital transformation, infrastructure, manufacturing, renewable energy, healthcare, engineering, and Global Capability Centres (GCCs) are driving sustained demand for highly skilled professionals. This has reinforced the importance of specialised staffing partners in addressing critical talent shortages across industries.

4. **Diversity, Inclusion and Workforce Agility:** Organisations are increasingly integrating diversity, equity, and inclusion (DEI) into their talent strategies while expanding the use of flexible workforce models. The continued growth of gig and project-based employment is enabling businesses to respond more effectively to changing market conditions while improving workforce agility and operational efficiency.

5. **Localization of Supply Chains:** As organisations diversify supply chains and regionalise operations, demand for skilled professionals is increasing across emerging markets, particularly in India, Southeast Asia, and the Middle East. This trend is creating new opportunities for staffing companies with strong regional presence and multi-country workforce capabilities.

Source:

- https://www.businessresearchinsights.com/market-reports/recruitment-market-106353
- https://recruiterflow.com/blog/recruitment-trends/
- https://www.corporatenavigators.com/articles/candidate-sourcing/data-driven-hiring-2026/
- https://www.kornferry.com/insights/featured-topics/talent-recruitment-articles/ai-in-recruitment-trends
- https://www.imd.org/ibyimd/talent/workplace-trends-for-2026/
- https://sqmagazine.co.uk/remote-hiring-statistics/
- https://www.talentmsh.com/insights/hiring-recruiting-trends-statistics
- https://www.oncoreservices.com/news-resources/global-staffing-industry-trends-2026

D. Indian Staffing

The Indian staffing and recruitment industry witnessed strong growth during FY 2025–26, supported by favourable demographics, increasing workforce formalisation, rapid digitalisation, and rising demand for skilled professionals across industries. The Indian staffing and recruitment market is projected to reach approximately USD 48.5 billion by 2030, expanding at a compound annual growth rate (CAGR) of around 13.2% during the forecast period. Growth is expected to be driven by increasing workforce formalisation, rapid digitalisation, wider adoption of flexible staffing models, Recruitment Process Outsourcing (RPO), and growing demand for organised workforce solutions across industries.

The organised staffing industry demonstrated resilience despite a cautious global environment. India's flexi staffing industry added approximately 1.18 lakh formal jobs during FY 2025–26, taking the workforce represented by Indian Staffing Federation (ISF) members to nearly 1.91 million, reflecting an 8% year-on-year increase. Continued workforce formalisation, increasing participation of young professionals in organised employment, and wider adoption of flexible staffing models reinforced the industry's role in employment generation while enhancing workforce productivity and organisational agility.

Demand for staffing services remained robust across engineering, infrastructure, manufacturing, information technology, banking, financial services and insurance (BFSI), healthcare, logistics, retail, and Global Capability Centres (GCCs). Continued investments under the Production Linked Incentive (PLI) scheme, infrastructure development, manufacturing expansion, digital transformation, and rapid growth of GCCs accelerated demand for specialised talent across technical and professional domains. Organisations increasingly leveraged temporary staffing, contract hiring, and outsourced recruitment solutions to improve operational flexibility, optimise costs, and address evolving workforce requirements. Growing demand for professionals in artificial intelligence (AI), cloud computing, cybersecurity, engineering, and digital services further reflects the structural shift towards specialised talent acquisition.

Looking ahead, India's staffing industry is expected to maintain a robust growth trajectory, supported by continued economic expansion, infrastructure development, manufacturing growth, rapid digitalisation, and increasing demand for skilled professionals. The continued expansion of Global Capability Centres (GCCs), rising investments in manufacturing and infrastructure, wider adoption of flexible workforce models, and sustained workforce formalisation are expected to strengthen the organised staffing ecosystem, positioning the industry as a key enabler of India's long-term employment generation, productivity enhancement, and economic growth.

Source:

- https://www.kenresearch.com/industry-reports/india-staffing-and-recruiting-market
- https://www.indianstaffingfederation.org/research.php
- https://www.businessworld.in/article/flexi-staffing-industry-records-8-growth-adds-1-18-lakh-jobs-in-fy26-report-610080
- https://www.businessmarketinsights.com/reports/india-staffing-and-recruitment-market

E. Gig Economy

India's gig economy witnessed robust growth during FY 2025–26, emerging as an important pillar of the country's evolving employment landscape. The gig workforce increased from 7.7 million in FY 2020–21 to nearly 12 million in FY 2024–25, reflecting a 55% growth over four years and accounting for more than 2% of India's total workforce. Supported by increasing digitalisation, widespread smartphone adoption, growth in digital payment infrastructure, and the rising acceptance of platform-based employment, the gig workforce is projected to reach 23.5 million by 2029–30, representing 6.7% of the non-agricultural workforce and highlighting the sector's growing contribution to employment generation and economic activity.

The expansion of the gig economy is being driven by increasing demand for flexible workforce solutions across engineering, e-commerce, logistics, transportation, information technology, healthcare, financial services, consulting, and professional services. The sector is also witnessing a gradual shift towards higher-value and knowledge-based roles, with growing demand for professionals in artificial intelligence (AI), software development, engineering, finance, digital marketing, cybersecurity, and data analytics, as organisations increasingly adopt project-based, outcome-oriented, and flexible work models.

The policy and regulatory ecosystem continued to evolve during the year with greater emphasis on extending social security, financial inclusion, skill development, and worker welfare for gig and platform workers. Government initiatives and policy reforms are expected to strengthen workforce formalisation while improving access to social protection, enhancing worker participation, and creating a more sustainable and resilient gig economy.

Looking ahead, India's gig economy is expected to maintain a strong growth trajectory, supported by favourable demographics, continued digital transformation, expansion of platform-based businesses, and increasing demand for flexible workforce solutions. As organisations increasingly adopt agile workforce strategies, organised staffing companies are well positioned to complement the gig ecosystem by providing compliant, skilled, and scalable workforce solutions for project-based, technical, and specialised talent requirements.

Source:

- https://www.pib.gov.in/PressReleasePage.aspx?PRID=1837277&reg=48&lang=2 https://www.businesstoday.in/union-budget/story/india-has-12-million-gig-workers-2-of-total-workforce-economic-survey-513429-2026-01-29
- https://www.ilo.org/publications/expansion-gig-and-platform-economy-india-opportunities-employer-and
- https://www.niti.gov.in/sites/default/files/2023-06/Policy_Brief_India%27s_Booming_Gig_and_Platform_Economy_27062022.pdf

F. Emerging Industry Trends

1. **Workforce Transformation:** India's workforce is undergoing a structural transformation, supported by favourable demographics, rapid digitalisation, increasing workforce formalisation, and rising participation in organised employment. The growing adoption of flexible staffing, project-based hiring, and technology-enabled recruitment is reshaping talent acquisition across industries while expanding access to skilled professionals beyond metropolitan centres.

2. **AI-led Global Capability Centres (GCCs):** India has strengthened its position as the world's largest GCC destination, hosting 2,117 Global Capability Centres employing approximately 2.36 million professionals and generating USD 98.4 billion in revenue during FY2026. GCCs are increasingly driving innovation in Artificial Intelligence, digital engineering, cybersecurity, product development, and enterprise transformation, creating significant demand for specialised talent and managed workforce solutions.

3. **Manufacturing & Infrastructure-led Employment:** Government initiatives such as Make in India, the Production Linked Incentive (PLI) Scheme, PM Gati Shakti, semiconductor and defence manufacturing programmes, renewable energy expansion, and large-scale infrastructure investments continue to generate strong demand for engineering, EPC, operations & maintenance, and technical manpower across industries.

4. **AI, Automation & Skills-based Hiring:** Artificial Intelligence, automation, cloud computing, cybersecurity, and digital engineering are transforming workforce requirements globally. Organisations are increasingly adopting AI-enabled recruitment, predictive workforce planning, and skills-based hiring to improve productivity while addressing shortages of specialised technical talent. These trends are accelerating investments in upskilling, reskilling, and technology-enabled workforce solutions.

5. **India's Engineering & Technical Talent Advantage:** India's large talent pool, favourable demographics, and expanding base of engineering and technical professionals continue to position the country as a preferred destination for industrial projects, digital engineering, energy transition, and global capability centres, supporting long-term demand for specialised staffing services.

G. Challenges & Risks

1. **Global Economic & Geopolitical Uncertainty:** Rising geopolitical tensions, evolving trade policies, commodity price volatility, and a slowdown in global economic activity may impact business confidence, delay capital expenditure, and moderate hiring activity across infrastructure, manufacturing, energy, and industrial sectors. These developments could affect the pace of workforce expansion and project execution.

2. **AI-led Workforce Disruption**: The rapid adoption of Artificial Intelligence (AI), automation, and digital technologies is reshaping workforce requirements across industries. While AI is improving productivity and creating demand for high-skilled professionals, it may reduce demand for certain routine and repetitive roles, accelerating the need for workforce reskilling and upskilling. Staffing companies will need to continuously adapt their talent strategies, technology capabilities, and recruitment processes to address evolving employment patterns.

3. **Shortage of Skilled Talent:** Increasing demand for professionals in engineering, renewable energy, artificial intelligence (AI), semiconductors, digital technologies, advanced manufacturing, and Global Capability Centres (GCCs) continues to outpace talent availability. The widening skill gap may intensify competition for qualified professionals, increase hiring costs, and lengthen recruitment cycles.

4. **Regulatory & Labour Law Changes:** Changes in labour regulations, employment laws, taxation policies, social security requirements, and compliance frameworks may influence workforce management practices and increase compliance obligations for staffing companies and their clients.

5. **Project Execution & Hiring Cyclicality:** Delays in infrastructure, EPC, manufacturing, oil & gas, or renewable energy projects, along with fluctuations in corporate hiring plans, may impact manpower demand and recruitment activity.

6. **Competitive Intensity:** The organised staffing industry continues to witness intense competition from domestic, multinational, and technology-enabled recruitment firms, leading to pricing pressure, higher client expectations, and continuous innovation in service delivery.

COMPANY OVERVIEW

Aarvi Encon Limited ("Aarvi" or "the Company") is a leading provider of Engineering, Technical Staffing, Engineering Services and Manpower Outsourcing solutions, serving clients across infrastructure, energy, manufacturing and industrial sectors. Established in 1987 and headquartered in Mumbai, the Company has built a strong reputation over nearly four decades by delivering specialized engineering and project support services across the entire project lifecycle, from engineering and procurement to construction, commissioning, operations and maintenance.

The Company caters to a diverse range of industries including Oil & Gas, Refineries, Petrochemicals, Fertilizers, Power, Renewable Energy, Infrastructure, Metals & Minerals, Cement, Railways, Metro, Telecommunications, City Gas Distribution (CGD), LNG, Manufacturing and EPC sectors. With an extensive pan-India network and a growing international presence in the Middle East and Southeast Asia, Aarvi continues to strengthen its position as a trusted engineering and technical workforce partner to leading domestic and multinational organizations.

During FY 2025-26, the Company continued to expand its service portfolio and geographical reach while maintaining its focus on operational excellence, customer satisfaction and compliance. The Company's strategic emphasis on Operations & Maintenance (O&M), renewable energy, engineering services, permanent recruitment, IT staffing and overseas operations enabled it to capitalize on emerging opportunities across infrastructure and industrial sectors.

The Company reported another year of healthy operational performance with consolidated revenue of approximately ₹650 crore, reflecting robust growth over the previous year, supported by increased order inflows, improved execution capabilities and strong client relationships. Profitability also improved significantly during the year, demonstrating the resilience of the Company's business model and operational efficiencies.

Aarvi remains committed to delivering sustainable value through innovation, technology-driven recruitment, operational excellence, strong governance standards and continuous investment in human capital. The Company continues to leverage its diversified business portfolio and long-standing client relationships to strengthen its market leadership in technical staffing and engineering services.

Industry Structure and Developments

India continues to be one of the fastest-growing major economies globally, supported by significant investments in infrastructure, manufacturing, energy transition and industrial development. Government initiatives such as the National Infrastructure Pipeline (NIP), PM Gati Shakti, Make in India, National Green Hydrogen Mission, expansion of renewable energy capacity and increasing investments in oil & gas, railways and urban infrastructure are expected to generate substantial demand for engineering services and skilled technical manpower.

The Engineering, Procurement and Construction (EPC) sector continues to witness strong project awards across refineries, petrochemicals, renewable energy, power transmission, city gas distribution, manufacturing and transportation infrastructure. Simultaneously, industries are increasingly adopting flexible staffing models, outsourcing specialized engineering functions and focusing on operational efficiency, thereby creating significant opportunities for organized technical staffing companies.

Internationally, demand for skilled engineering professionals remains strong across the Middle East and Southeast Asia owing to continued investments in energy, infrastructure and industrial expansion. These trends provide attractive opportunities for companies with established recruitment capabilities and international execution experience.

Opportunities and Outlook

The Company believes that the long-term business outlook remains positive, supported by favorable macroeconomic trends and increasing demand for specialized engineering services.

Key opportunities include:

- Continued investments by the Government of India in infrastructure, transportation, manufacturing and industrial corridors.
- Strong capital expenditure by Oil & Gas, Refinery, Petrochemical and Chemical industries.
- Rapid expansion of Renewable Energy including Solar, Wind, Green Hydrogen and Energy Storage projects.
- Increasing outsourcing of engineering, technical staffing and project management services by domestic and multinational organizations.
- Growing demand for Operations & Maintenance (O&M) services throughout the lifecycle of industrial assets.
- Expansion of the Company's international operations, particularly across the Middle East and Southeast Asia.
- Growth opportunities in permanent recruitment, IT staffing, digital engineering and specialized engineering consultancy services.
- Increasing adoption of technology-enabled recruitment platforms, workforce digitization and AI-assisted talent acquisition.

With its established brand, experienced management team, diversified client base, robust compliance framework and extensive technical talent network, Aarvi Encon is well positioned to capitalize on these opportunities and achieve sustainable long-term growth. Recent contract wins and continued expansion of international operations further reinforce the Company's growth prospects.

Concerns

Like any engineering services and staffing organization, the Company operates in an evolving business environment and remains exposed to certain business risks. The management continuously evaluates these risks and implements appropriate mitigation measures.

Major risks include:

- Cyclical slowdown in capital expenditure by infrastructure, energy and industrial sectors.
- Intense competition from domestic and international staffing and engineering service providers leading to pricing pressures.
- Dependence on project execution timelines and delays in client decision-making.
- Talent acquisition and retention challenges arising from increasing demand for skilled engineering professionals.
- Changes in labour laws, taxation, regulatory requirements and compliance obligations.
- Rising employee costs and inflationary pressures impacting operating margins.
- Foreign exchange fluctuations affecting international operations.
- Geopolitical developments in overseas markets.
- Customer concentration and credit risks.
- Cybersecurity and information technology risks associated with digital operations.

The Company has established a comprehensive risk management framework, robust internal control systems, periodic management reviews and compliance monitoring mechanisms to effectively identify, assess and mitigate these risks.

Future Outlook

The management remains optimistic about the Company's long-term growth prospects. India's continued focus on infrastructure development, manufacturing expansion, renewable energy, industrial modernization and digital transformation is expected to sustain demand for engineering and technical manpower solutions.

The Company will continue to focus on:

- Expanding its domestic and international presence.
- Strengthening Operations & Maintenance and Engineering Services businesses.
- Increasing participation in renewable energy and manufacturing sectors.
- Leveraging technology to improve recruitment efficiency and operational productivity.
- Diversifying its customer base and service offerings.
- Maintaining strong corporate governance, compliance standards and sustainable business practices.

  Supported by its experienced leadership, established client relationships, diversified business portfolio and sound financial position, Aarvi Encon Limited is well positioned to deliver sustainable growth and create long-term value for its shareholders and other stakeholders.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

- Aarvi Encon Limited maintains a robust internal financial control framework that is fully commensurate with the size, scale, and complex nature of its technical staffing operations [Internal Control Framework]. Operating under the strict mandate of Section 143(3)(i) of the Companies Act, these structured systems ensure the orderly and efficient conduct of business across all domestic and international engineering projects. The primary architecture focuses on safeguarding company assets, preventing and detecting operational fraud, ensuring data accuracy, and preparing reliable financial statements in a timely manner.
- To preserve absolute objectivity and transparency, the company's internal audit function is completely decentralized from daily management and reports directly to the Chairman of the Audit Committee. This independent oversight mechanism continuously evaluates the adequacy and operational efficacy of corporate policies, risk mitigation guidelines, and accounting workflows.
- The statutory auditors have formally validated the adequacy of these internal financial controls, confirming that they are operating effectively without any material weaknesses. As heavy industrial plants and Global Capability Centers (GCCs) modernize, the management proactively updates its digital verification systems to address emerging cybersecurity and compliance risks.

RESULTS OF OUR OPERATIONS:

The function-wise classification of the Consolidated Statement of Profit and Loss is as follows:

Particulars	FY 2025-26	FY 2024-25	% of Revenue FY 2025-26	% of Revenue FY 2024-25	Remarks
Revenue from Operations	649	510	100.00%	100.00%	Revenue increased by approximately **27.25%**, driven by higher business volumes, expansion of operations and improved order execution across business segments.
Employee Benefit Expenses	488	377	75.19%	73.92%	Increase attributable to higher manpower deployment, annual salary revisions and business expansion during the year.
Other Expenses	138	120	21.26%	23.53%	Increase mainly due to higher operational activities, though controlled cost management resulted in a lower percentage of revenue.
Total Expenditure	626	497	96.46%	97.45%	Increase in line with revenue growth while maintaining operational efficiencies.
EBITDA	25	16	3.85%	3.14%	Improved operating profitability due to higher revenue and better operational efficiency.
Finance Cost	3	3	0.46%	0.59%	Finance costs remained stable despite higher business operations, reflecting prudent financial management.
Depreciation & Amortisation	2	2	0.31%	0.39%	Largely remained stable during the year.
Other Income	2	2	0.31%	0.39%	Other income remained consistent with the previous year.
Profit Before Tax	20	11	3.08%	2.16%	Improved significantly on account of higher operating profits and better cost management.
Current Tax	2	1	0.31%	0.20%	Tax expense remained broadly in line with taxable income.
Profit After Tax	17	10	2.62%	1.96%	PAT increased by approximately **70%**, reflecting improved profitability and operational performance.

Consolidated Performance

- Revenue from Operations increased from **₹510 crore** in FY 2024-25 to **₹649 crore** in FY 2025-26, registering a growth of approximately **27.25%.**
- Profit Before Tax increased from **₹11 crore** to **₹19 crore**, representing a growth of approximately **72.73%.**
- Profit After Tax increased from **₹10 crore** to **₹17 crore**, registering a growth of approximately **70.00%.**
- The Company continued to maintain a healthy working capital position while supporting higher business volumes.

Significant changes in key financial ratios as compared to the previous year:

Particulars	FY 2025-26	FY 2024-25	Y-o-Y Change	Reasons
Debtors Turnover (Days)	57.50	82.57	**-30.36%**	Improvement in receivable collection efficiency and better working capital management.
Interest Coverage Ratio	7.89	4.65	**69.77%**	The Interest Coverage Ratio increased from **4.65 to 7.89** mainly due to **higher operating profit (EBIT)** during FY 2025-26 and **lower finance costs** resulting from reduced borrowings or improved debt management.
Net Capital Turnover Ratio	7.27	6.18	**17.50%**	Higher revenue generated from efficient utilization of working capital.
Current Ratio	2.05	2.03	**0.71%**	Marginal increase in current assets over current liabilities during the year.
Debt-Equity Ratio	0.19	0.21	**-12.06%**	The Debt-Equity Ratio reduced owing to lower debt levels and improved net worth, indicating a stronger capital structure and reduced financial leverage.
Operating Profit Margin (%)	3.51%	2.80%	**25.42%**	The Operating Profit Margin improved owing to higher operating profitability driven by improved revenue and effective management of operating costs.
Net Profit Margin (%)	2.71%	1.97%	**37.78%**	The Net Profit Margin improved by improved operational efficiency, better cost management, and enhanced overall financial performance.
Return on Net Worth (%)	13.71%	9.38%	**46.15%**	Due to increase in profits as compared to previous year.
Return on Investment (%)	12.01%	7.38%	**62.85%**	Due to increase in profits as compared to previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Aarvi Encon Limited has significantly expanded its workforce infrastructure to manage a massive pool of 8,272 employees and technical professionals across its domestic and international client sites. This specialized engineering headcount is strategically divided to balance corporate governance and field execution, comprising 312 core permanent corporate employees, 7960 dedicated contract staff and contract professionals. This robust human resource network allows the company to rapidly fulfill complex, large-scale technical staffing mandates for heavy industries, infrastructure systems, and emerging green energy projects.

The core mandate of Aarvi's Human Resources division remains focused on upgrading technical competencies, improving performance management systems, and facilitating seamless cross-functional teamwork. By leveraging modern digital recruitment platforms, the HR team has successfully minimized onboarding timelines and accelerated international deployment workflows across complex global regulatory zones. These structured talent pipelines ensure that clients receive highly skilled engineers who are fully equipped to operate automated industrial systems and modern clean-energy setups.

On the industrial relations front, Aarvi Encon maintains an exceptional record of harmonious workplace relations, resulting in zero labor disputes, strikes, or operational disruptions. The management strictly enforces rigorous statutory compliance, localized labor laws, and strict workplace safety standards across all active deployment zones. This dedicated focus on worker welfare, proper social security mapping, and robust risk insurance coverage ensures long-term operational continuity and cements Aarvi's position as a preferred institutional talent partner.

INDEPENDENT AUDITOR'S REPORT

To The Members of,

AARVI ENCON LIMITED

Report on Consolidated Financial Statements

Opinion

We have audited accompanying consolidated financial statements of **Aarvi Encon Limited** (the "Holding Company") and its subsidiaries, a list of the same is annexed herewith by way of an **Annexure 1** to this report (collectively the company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2026, the consolidated Statement of Profit and Loss including other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of Reports of other Auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated financial statement give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31st 2026, and profit including other comprehensive income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equities for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standard are future described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated 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 consolidated financial statement of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Responses
1. Revenue Recognition The Company's contracts with customers include contracts with multiple services. The Company derives revenues from manpower supply and related services. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgement. As certain contracts with customers involve management's judgment in (1) identifying distinct performance obligations, (2) determining whether the Company is acting as a principal or an agent, revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort.	**Principal Audit Procedures** Our audit procedures related to the (1) identification of distinct performance obligations, (2) determination of whether the Company is acting as a principal or agent included the following among others: • We tested the effectiveness of controls relating to the- (a) identification of distinct performance obligations, (b) determination of whether the Company is acting as a principal or an agent and • We selected a sample of contracts with customers and performed the following procedures: – Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement. – Identified significant terms and deliverables in the contract to assess management's conclusions regarding the- (i) identification of distinct performance obligations (ii) whether the Company is acting as a principal or an agent

Key Audit Matter	Auditor's Responses
2. Completeness and Accuracy of Payroll Expenses	**Principal Audit Procedures**
Payroll constitutes the largest operational expense. The sheer scale and volume of transactions, including contractual and temporary workers, create a risk of calculation errors, or incorrect statutory deductions. Also, during the year under review the company migrated their payroll processing platform to integrate it with the billing process which raised the risk of calculation errors.	Obtained sample of appointment letters of those employees joined during the year under review payroll records and verified attendance systems, recalculated wage and statutory deductions, and investigated unusual payroll spikes.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, Consolidated cash flows and consolidated Statement of Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (IND AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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, which have been used for the purpose of preparation by the Consolidated Financial Statements by the directors of the Holding Companies as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Company included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibility

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements, including the disclosure, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's 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 outweigh the public interest benefits of such communication.

We conducted our audit in accordance with the Standards on Auditing Specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparations of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matters

The accompanying Statement includes the audited standalone / consolidated financial results / financial information, in respect of –

The Statement includes the audited standalone/ consolidated financial statements/financial results/

financial information, in respect of –

a) 1 subsidiary, whose audited standalone financial statements reflect total assets of Rs. 61.74 lacs as at 31st March, 2026, total revenues of Rs. 8.98 lacs, total profit after tax of Rs. 0.04 lacs, total comprehensive income of Rs. 0.04 lacs, and net cash inflows of Rs. 1.35 lacs for the year ended 31st March, 2026, as considered in the Statement which have been audited by us.

b) 3 subsidiaries, which have not been audited by us, whose audited standalone/ consolidated financial statements reflect total assets of Rs. 3,496.55 lacs as at 31st March. 2026, total revenues of Rs. 7,317.47 lacs, total profit after tax of Rs. 684.41 lacs, total comprehensive income of Rs. 898.64 lacs, and net cash inflows of Rs.378.53 lacs for the year ended 31st March, 2026, as considered in the Statement which have been audited by other auditors.

c) 1 associate entity, which have not been audited by us, whose audited standalone reflect total assets of Rs.359.22 lacs as at 31st March. 2026, total revenues of Rs. 671.63 lacs, Group's share of loss after tax of Rs.62.70 lacs, total comprehensive loss of Rs. 85.63 lacs and net cash inflows of Rs. 58.83 lacs for the year ended 31st March, 2026, as considered in the Statement which have been audited by other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2020 ("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 2**, a statement on the matters specified in paragraph 3(xxi) of the Order.

2. A) As required by section 143(3) of the Act, based on our audit and the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the other matters paragraph we report to the extent applicable, that:

   a) We / the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief was necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b) In our opinion proper books of account as required by law relating to preparations of the aforesaid Consolidation of the Financial Statements have been kept so far as it appears from our examinations of those books except for the matters stated in para 2(B)(f) below on reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and reports of the other auditors;

   c) The consolidated Balance Sheet, the consolidated Statement of Profit and loss including the statement of other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement and Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of Consolidated Financial Statements;

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

   e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2026 and taken on record by the Board of Directors of the holding company and the report of the Statutory Auditors who are appointed under section 139 of the Act of its subsidiaries, none of the directors of the group companies incorporated in India is disqualified as on 31 March, 2026, from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and para 2(B)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in **Annexure 3**, which is based on the auditors' reports of the subsidiary companies incorporated in India.

   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 group does not have any pending litigations which would impacts its financial position.

ii. The group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the group.

a) The respective managements of the Holding Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such Subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the Holding Company or any of such Subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

iv. The dividend declared/paid during the year and subsequent to the year-end by the Holding Company and subsidiary companies, as and where dividend declared/paid, is in compliance with Section 123 of the Act.

v. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the response software.

(i) In case of the Holding company and its subsidiary company incorporated in India, the feature of recording audit trail (edit log) facility has not been enabled at the database level to log any direct data changes for the accounting software used for maintaining the records relating to payroll.

(ii) In case of the Holding company and its subsidiary company incorporated in India, the feature of recording audit trail (edit log) facility has not been enabled at the database level to log any direct data changes for the accounting software used for maintaining the records relating to Consolidation.

(iii) In case of the Holding company and its subsidiary company incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software relating to payroll for the period 1 April 2024 to 31 March 2026.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. Companies Act the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **Jay Shah & Associates**.
Chartered Accountants
Firm Reg. No. 135424W

Sd/-
CA. Jay Shah
(Proprietor)
Membership No. 134334
Place: Mumbai.
UDIN No.: 26134334RPQHEZ7063
Date: 22nd May, 2026

Annexure to the Independent Auditors' Report of Consolidated Financial Statements

Annexure – 1 : Details of the Group

A. Aarent Company;

Sr. No.	Name of the Parent Company
1.	Aarvi Encon Limited

B. **Subsidiaries held directly**

Sr. No.	Name of the Subsidiary
1.	Aarvi Engineering and Consultants Private Limited
2.	Aarvi Encon (FZE)
3.	Aarvi Encon Resources Limited
4.	Aarvi Energy Company LLC w.e.f. 30th April, 2024.

C. Subsidiaries held indirectly

Sr. No.	Name of the Subsidiary
1.	Aarvi Encon LLC, Muscat Sultanate of Oman [Subsidiary of Aarvi Encon (FZE)] w.e.f. 13th January, 2021.
2.	MNR Technical Services LLC [Subsidiary of Aarvi Encon (FZE)] w.e.f. 14th June, 2023

D. Associate Entities

Sr. No.	Name of the Entity
1.	PT. Aarvi Encon Services, Indonesia [Associate entity of Aarvi Encon (FZE) – Stake held 49%] w.e.f. 10th June, 2021.
2.	Aarvi Encon Staffing Services W.L.L., Qatar [Joint Venture – Stake held 49%] w.e.f. 02nd March, 2022.

Annexure – 2: Referred to In Paragraph 1 under the Heading "Report on Other Legal and Regulatory Requirements" Of Our Report of Even Date

In Case of subsidiaries incorporated in India, there are no instances of qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order, 2020 ("CARO") reports of the companies included in the consolidated financial statements of the companies. Accordingly, the requirement to report under Clause 3(xxi) is not applicable to the company.

Annexure – 3: Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our Audit of the consolidated Financial Statements of the holding Company as of and for the year ended 31st March, 2026, we have audited the internal financial controls over financial reporting of **Aarvi Encon Limited** (hereinafter referred to as "the holding company") and its subsidiaries (the holding company and its subsidiaries together referred as to "the Group"), as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the holding companies and its subsidiaries which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities, 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 responsibilities 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company and its Subsidiaries, 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 on Auditing, 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 and, 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 was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence 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 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 Holding Company and its Subsidiary companies which are incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting commensurate to its size and nature of business and such internal financial controls over financial reporting were operating effectively as at 31st March, 2026, 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 **Jay Shah & Associates**.
Chartered Accountants
Firm Reg. No. 135424W

Sd/-
CA. Jay Shah
(Proprietor)
Membership No. 134334
UDIN No.: 26134334RPQHEZ7063

Place: Mumbai.
Date: 22nd May, 2026

Consolidated Balance Sheet as at March 31, 2026

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2026	As at March 31, 2025
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	4A	1,639.80	1,716.89
(b) Goodwill on Consolidation	5	25.34	25.34
(c) Other Intangible Assets	4B	20.90	27.87
(d) Intangible Asset Under Development	4C	15.39	-
(f) Financial Assets	6		
(i) Investments	6.1	-	-
(i) Loans and Advances	6.3	261.19	273.77
(ii) Others	6.5	2,270.66	2,026.92
(g) Deferred Tax Asset, Net	7	6.11	12.97
(g) Other non current assets	8	1,954.00	957.52
		6,193.39	**5,041.28**
(2) Current Assets			
(a) Financial Assets	6		
(i) Investments	6.1	493.90	552.33
(ii) Trade Receivable	6.2	10,237.03	11,546.04
(iii) Cash and cash equivalents	6.4	916.50	670.25
(iv) Other Bank Balances	6.4	315.23	276.96
(v) Loans and Advances	6.3	418.82	206.77
(vi) Others	6.5	4,723.62	2,588.98
(b) Other current assets	8	396.34	420.33
		17,501.44	**16,261.66**
Total Assets		**23,694.83**	**21,302.94**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	9	1,481.07	1,481.07
(b) Other Equity	10	12,725.78	11,051.27
Equity attributable to owners of Holding Company		**14,206.85**	**12,532.34**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities	11		
(i) Borrowings	11.01	235.02	332.96
(ii) Lease Liability	11.01	-	-
(iii) Others	11.03	661.74	388.91
(b) Provisions	14	-	-
(c) Deferred Tax Liabilities (Net)	12	21.36	28.78
(d) Other Non-current liabilities	13	12.00	12.00
		930.12	**762.65**
Current liabilities			
(a) Financial Liabilities	11		
(i) Borrowings	11.02	2,434.68	2,345.16
(ii) Lease Liability	11.01	-	-
(iii) Trade payables	11.04		
- Total outstanding dues of micro enterprises and small enterprises		231.62	136.56
- Total outstanding dues of creditors other than micro enterprises and small enterprises		560.78	1,131.50
(iv) Others	11.03	3,613.78	2,922.09
(b) Other current liabilities	13	1,440.96	1,399.09
(b) Provisions	14	276.04	73.55
(c) Liabilities for current tax (net)	15	-	-
		8,557.86	**8,007.95**
Total Equity and Liabilities		**23,694.83**	**21,302.94**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

Consolidated Statement of Profit and Loss for the year ended March 31, 2026

(All amounts are Rupees in lakhs unless otherwise stated

	Particulars	Note Ref	Year ended March 31, 2026	Year ended March 31, 2025
I	Revenue from Operations	16	64,985.18	51,038.90
II	Other Income	17	224.55	247.59
III	**Total Revenue (I + II)**		**65,209.73**	**51,286.49**
IV	**Expenses:**			
	Employee Benefit Expenses	18	48,880.39	37,687.23
	Finance Cost	19	289.25	307.51
	Depreciation and amortisation expense	20	176.84	157.43
	Other Expenses	21	13,836.05	12,012.38
	Total Expenses (IV)		**63,182.53**	**50,164.55**
V	**Profit/(Loss) before exceptional item and Tax (III-IV)**		**2,027.20**	**1,121.93**
VI	**Exceptional items:**			
	1. Impact of new labour code		147.75	-
	2. Old gratuity provision written back		(114.02)	
	Total Exceptional items (VI)		33.74	-
VII	**Profit/(Loss) Before Tax (V-VI)**		**1,993.46**	**1,121.93**
VIII	**Tax Expense**	22		
	1. Current Tax		231.96	117.43
	2. Short/Excess Provision of Tax		-	-
	3. Deferred Tax (Credit)/Charge		(0.55)	0.05
	Total Tax Expenses (VIII)		**231.41**	**117.48**
IX	**Profit/(Loss) for the year (VII-VIII)**		**1,762.05**	**1,004.45**
X	**Other comprehensive income**			
A	(i) Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		(39.98)	(5.41)
	tax effect thereon			
	(ii) Items that will be reclassified to profit or loss			
	Changes in foreign currency translation reserve		191.41	51.37
	tax effect thereon			
	Other Comprehensive Income for the year, net of tax		**151.44**	**45.96**
XI	**Total comprehensive income for the year**		**1,913.48**	**1,050.42**
XII	**Net Profit attributable to:**			
	Owners of the Holding Company Profit / (Loss)		1,762.05	1,004.45
	Non-Controlling Interest Profit /(Loss)		-	-
			1,762.05	**1,004.45**
XIII	**Other Comprehensive Income attributable to:**			
	Owners of the Holding Company		151.44	45.96
	Non-Controlling Interest		-	-
			151.44	**45.96**
XIV	**Total Comprehensive Income attributable to:**			
	Owners of the Holding Company		1,913.48	1,050.42
	Non-Controlling Interest Profit /(Loss)		-	-
			1,913.48	**1,050.42**
XV	**Earnings per Share**			
	Basic	23	11.90	6.79
	Diluted/Diluted(Restated)		11.79	6.73
	Nominal Value per share of ₹10 each			

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

Statement of Changes in Equity

(All figures are in lakhs unless otherwise stated)

A Equity

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	14,810,700	1,481.07	14,784,000	1,478.40
Changes in equity share capital during the year			26,700.00	2.67
Balance at the end of Reporting period	**14,810,700**	**1,481.07**	**14,810,700**	**1,481.07**

B Other Equity

Particulars	Retained Earnings	Securities Premium	OCI - Exchange differences on translation of Foreign Operations	General Reserve	Equity Stock Option	Total
Balance as at 31 March 2024	7,746.30	1,492.29	234.25	690.46	28.38	10,191.68
Profit/(Loss) for the year	1,004.45	-	-	-	-	1,004.45
Dividend paid during the year	(295.68)	-	-	-	-	(295.68)
Less : Transferred to General Reserve	-	39.29	-	-	-	39.29
Less : Deferred tax liability on above	-	-	-	-	-	-
Exchange differences on translation of Foreign Operations	-	-	51.37	-	-	51.37
Share based payments expense (Refer Note No 37)	-	-	-	-	65.57	65.57
Defined Benefit Obligation	(5.41)	-	-	-	-	(5.41)
Balance as at 31 March 2025	8,449.66	1,531.58	285.62	690.46	93.95	11,051.27
Profit/(Loss) for the year	1,762.05	-	-	-	-	1,762.05
Dividend paid during the year	(296.21)	-	-	-	-	(296.21)
Addition during the year	-	-				-
Less : Transferred to General Reserve	-	-	-	-	-	-
Less : Deferred tax liability on above	-	-	-	-	-	-
Exchange differences on translation of Foreign Operations	-	-	191.41	-	-	191.41
Share based payments expense (Refer Note No 37)	-	-	-	-	57.24	57.24
Defined Benefit Obligation	(39.98)	-	-	-	-	(39.98)
Balance as at 31 March 2026	9,875.52	1,531.58	477.04	690.46	151.19	12,725.78

Retained Earnings

Retained earnings are profits that the Company has earned till date, less dividends or other distributions paid to the shareholders. It also includes remeasurement gain/loss of defined benefit plans.

Securities Premium

Premium received on equity shares issued are recognised in the securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of Section 52 of Companies Act, 2013.

During FY 2017 -18, the Company had come up with the Initial Public Offer (IPO) and raised 21.24 Crores, out of which Security Premium of ₹ 17.30 Crores was raised.

Share based payments expense

Employee stock options is used to record the share based payments, expense under the scheme as per IND AS..The reserve will be used for the settlement of ESOP. (refer note 31)

Foreign currency translation reserve (FCTR)

Exchange differences on translating the financial statements of foreign operations.

The General Reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

Consolidated Cash Flow Statement for the period ended March 31, 2026

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	2025-26		2024-25	
Cash flows from operating activities				
Profit /(loss) before tax		1,993.46		1,121.93
Adjustments:				
Depreciation & amortisation	176.84		157.43	
Interest expense	289.25		307.51	
Interest income	(82.73)		(201.00)	
Liabilities no longer required written back	-		(1.30)	
Expected Credit Loss	96.22		77.29	
Profit on sale of property, plant and equipment	(0.16)		(5.93)	
Exchange (gain) / loss	-		-	
Interest Income on Financial Assets at FVTPL	(2.41)		(3.20)	
Share based payments expenses	57.24		100.85	
		534.26		**431.65**
Operating cash flows before working capital changes and other assets		2,527.72		1,553.58
Decrease/ (increase) in Trade receivables	1,212.79		(3,326.17)	
Decrease/ (increase) in Financial Assets	(2,424.71)		175.20	
Decrease/ (increase) in Other Assets	23.99		(84.94)	
(Decrease)/increase in Trade Payables	(475.66)		473.65	
(Decrease)/increase in Financial Liabilities	964.52		789.31	
(Decrease)/increase in Other Liabilities	204.38		366.09	
		(494.69)		**(1,606.86)**
Cash generated from operations		**2,033.02**		**(53.28)**
Income taxes refund / (paid), net		(1,228.44)		(186.98)
Net cash generated from in operating activities		**804.58**		**(240.26)**
Cash flows from investing activities				
Purchase of property, plant and equipment and CWIP	(97.43)		(989.58)	
Proceeds from sale of property, plant and equipment	11.78		24.23	
Purchase of intangible assets	(22.36)		9.29	
Investment in Mutual funds	58.43		(512.59)	
Interest Received	85.14		204.20	
Goodwill paid during the year	-			
Cash flows from financing activities		**35.55**		**(1,264.45)**
Proceeds from issue of equity shares	0.00		6.67	
Net Proceeds from Short-term borrowings	89.52		1,370.06	
Net Proceeds from Long -term borrowings	(97.94)		332.96	
Dividend paid during the year	(296.21)		(295.68)	
Interest paid	(289.25)		(307.51)	
Net cash used in financing activities		**(593.88)**		**1,106.51**
Net increase / decrease in cash and cash equivalents		**246.25**		**(398.20)**
Cash and cash equivalents at the beginning of the period		670.25		1,068.45
Cash and cash equivalents at the end of the period		916.50		670.25
		246.25		**(398.20)**

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

Statement of Significant Accounting policies and Other Explanatory Notes

1 Corporate Information

Aarvi Encon Limited (the "Company") is a Human Resource Services Company incorporated as Aarvi Encon Private Limited on 03 December 1987 and the registered office is located at 603, B1 Wing, Marathon Innova, Marathon Nextgen Complex, Lower Parel (W) Mumbai 400013.

2 Significant Accounting Policies

I) Basis of Preparation

The Company is listed on the Main Board of National Stock Exchange of India Ltd w.e.f. 24th June, 2020: The Company has completed the migration of its shares from National Stock Exchange (NSE) Emerge (SME segment) platform to the Main Board of National Stock Exchange of India Ltd w.e.f. 24th June, 2020.

These financial statements are Consolidated Financial Statements as per Ind AS 110 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These consolidated financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

II) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

III) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on 31 March 2024.

(i) Consolidation Procedure

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full, except as stated below Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(ii) Non-controlling interests in the net assets of consolidated subsidiaries consists of :

a) The amount of equity attributed to non controlling interests at the date on which investment in a subsidiary relationship came into existence;

b) The non-controlling interest share of movement in equity since the date parent subsidiary relationship came into existence;

c) Non-controlling interest share of net profit/ (loss) of consolidated subsidiaries for the year is identified and adjusted against the profit after tax of the Group.

(iii) The following entities are considered in the Consolidated Financial Statements listed below:

Sr. No.	Name of the Entity	Principal place of business	Proportion of ownership interest either directly or indirectly	Proportion of ownership interest either directly or indirectly
			As on March 31, 2026	As on March 31, 2025
1	**Subsidiary :-**			
	Aarvi Engineering & Consultants Private Limited	India	100%	100%
	Aarvi Encon FZE	UAE	100%	100%
	Aarvi Encon Resources Limited	UK	100%	100%
	Aarvi Encon Staffing Services W.L.L - QATAR	Qatar	100%	100%
2	**Entities significantly controlled**			
	PT Aarvi Encon Services, Indonesia	Indonesia		
	Aarvi Encon LLC, Oman	Oman		

3 Summary of significant accounting policies

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

(a) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is 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 normal operating cycle or
- It is held primarily for the purpose of trading or
- 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 atleast twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment

i) Property, plant and equipment (PPE) are measured at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of PPE includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of those PPE. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the year the asset is derecognized.

ii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other repairs and maintenance costs are recognised in statement of profit and loss as incurred.

iii) The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Group's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year.

iv) Depreciation on all assets of the Group is charged on written down method over the useful life of assets mentioned in Schedule II to the Companies Act ,2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

v) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and the cost of property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

c) Intangible Assets

i) Intangible assets are recorded at the consideration paid for cost of acquisition or development less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

ii) Intangible assets under development are capitalized only if the Group is able to establish control over such assets and expects future economic benefit will flow to the Group.

iii) Intangible assets are amortised over their estimated useful life, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

d) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group.

Acquisition costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition-date fair values. Goodwill is measured as excess of the aggregate of the fair value of the consideration transferred, the amount recognized for non-controlling interests and fair value of any previous interest held, over the fair value of the net of identifiable assets acquired and liabilities assumed. If the fair value of the net of identifiable assets acquired and liabilities assumed is in excess of the aggregate mentioned above, the resulting gain on bargain purchase is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income. Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognize any new assets or liabilities.

e) Borrowings

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

f) Impairment of Assets

Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

h) Provisions

The Group recognizes a provision when it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

i) Fair Value Measurement

The Group 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 Group.

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.

j) Financial Instruments

(i) Financial Assets & Financial Liabilities

Initial recognition and measurement

All financial assets and liabilities are recognised initially at fair value.

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

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

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

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Explanatory Notes details how the entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial instruments

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(ii) Investments in associates

Investments in associates are carried at cost in the Separate Financial Statements.

k) Revenue Recognition

i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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 credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Manpower Services

Revenue from manpower services is accounted at a point in time on accrual basis on performance of the services agreed in the contract with the customers.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

Dividends

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

l) Taxes

Tax expenses comprise Current Tax and Deferred Tax.:

i) Current Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred Tax:

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii) MAT Credit:

The Company has opted for income tax under Section 115BAA of the Income tax act, 1961. As per provisions of the Act, the domestic companies opting for section 115BAA will not be able to claim MAT credits for taxes paid under MAT during the tax holiday period. The companies would not be able to reduce their tax liabilities under section 115BAA by claiming MAT credits.

Therefore, the Company has reversed all the MAT credit during the year 2020-21."

m) Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI 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.

n) Dividend Distribution

Dividend distribution to the Group's equity holders is recognized as a liability in the Group's annual accounts in the year in which the dividends are approved by the Group's equity holders.

o) Foreign exchange transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss.

p) Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii. Defined benefit plans -Gratuity

In accordance with the applicable Indian laws, the Group provides for gratuity, defined benefit retirement plan ("the Gratuity plan") covering eligible employees. The Gratuity plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Current service cost and the interest cost on obligation related to defined benefit plans are recognised in the statement of profit or loss.

q) Share based payments

Equity settled share-based payment transactions:

The Company operates equity settled share-based remuneration plans for its employees. All services received in exchange for the grant of any share-based payment are measured at their fair values on the grant date and is recognised as an employee expense, in the profit or loss with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "Employee stock options / Employee stock appreciation rights". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

Grant date is the date when the Company and employees have shared an understanding of terms and conditions on the arrangement.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth). All share-based remuneration is ultimately recognised as an expense in the profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holder does not impact the expense recorded in any period. Market conditions are taken into account when estimating the fair value of the equity instruments granted. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

r) Leases

The following is the summary of the new and/or revised significant accounting policies related to Leases.

The Group, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

(All figures are in Lakhs unless otherwise stated)

4A Property, Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block Asset Class Wise-2025-26

Tangible Assets

Particulars	Office Premises	Plant & Machinery	Electrical Installation	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost								
As at 31st March 2024	**1,133.25**	**126.10**	**38.77**	**102.13**	**109.56**	**125.53**	**142.74**	**1,778.08**
Additions	799.50	-	0.50	59.51	39.90	28.27	52.59	980.27
Disposals/Adjustments	48.42	-	-	5.60	4.01	-	32.79	90.82
As at 31st March 2025	**1,884.33**	**126.10**	**39.27**	**156.04**	**145.45**	**153.80**	**162.54**	**2,667.53**
Additions	-	4.91	-	0.07	25.08	55.24	19.10	104.40
Disposals/Adjustments	-	-	1.74	19.98	4.76	-	43.50	69.98
As at 31st March 2026	**1,884.33**	**131.01**	**37.53**	**136.13**	**165.77**	**209.04**	**138.14**	**2,701.95**
Depreciation								
As at 31st March 2024	**389.02**	**88.62**	**34.67**	**78.81**	**80.72**	**98.87**	**104.33**	**875.05**
Charge for the Year	54.64	5.86	0.75	12.39	19.15	30.84	24.50	148.13
Disposals	-	33.30	-	4.85	3.54	-	30.83	72.52
As at 31st March 2025	443.66	61.18	35.42	86.35	96.33	129.72	98.00	950.66
Charge for the Year	72.51	3.81	0.49	15.58	24.35	29.37	23.76	169.86
Disposals	-	-	1.16	11.81	4.23	-	41.16	58.36
As at 31st March 2026	**516.17**	**64.99**	**34.75**	**90.12**	**116.45**	**159.08**	**80.60**	**1,062.16**
Net Block								
As at 31st March 2026	**1,368.16**	**66.02**	**2.78**	**46.01**	**49.32**	**49.96**	**57.54**	**1,639.79**
As at 31st March 2025	**1,440.67**	**64.92**	**3.85**	**69.69**	**49.12**	**24.09**	**64.54**	**1,716.87**

i) The group has carried out the exercise of assessment of any indications of impairment to its fixed assets as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its fixed assets during the year.

ii) There are no changes proposed to the previously assessed residual useful life of the assets.

4B Intangible Asset

Particulars	Software
Cost	
As at 31st March 2024	**63.95**
Additions	
Disposals/Adjustments	
As at 31st March 2025	**63.95**
Additions	-
Disposals/Adjustments	-
As at 31st March 2026	**63.95**
Depreciation	
As at 31st March 2024	**26.79**
Charge for the Year	9.29
Disposals	-
As at 31st March 2025	**36.08**
Charge for the Year	6.97
Disposals	-
As at 31st March 2026	**43.05**
Net Block	
As at 31st March 2026	**20.90**
As at 31st March 2025	**27.87**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

4C Intangible Asset Under Development

Particulars	Software under Development
As at 1st April, 2024	**-**
For the year	-
Expensed off	-
Capitalised	-
As at March 31, 2025	**-**
For the year	15.39
Expensed off	
Capitalised	
As at March 31, 2026	**15.39**

Intangible Aseet Under Development ageing schedule as at 31st March 2026

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	15.39	-	-	-	15.39
Project temporarily suspended	-	-	-	-	-

Intangible Aseet Under Development ageing schedule as at 31st March 2025

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

		As at March 31, 2026	As at March 31, 2025
5	**Goodwill on Consolidation**	25.34	25.34
		25.34	**25.34**

		As at March 31, 2026 (Non- Current)	As at March 31, 2025 (Non- Current)	As at March 31, 2026 (Current)	As at March 31, 2025 (Current)
6	**Financial Assets**				
	6.1 Other Investments (At FVTPL)				
	A Mutual Funds	-	-	493.90	552.33
	Total	**-**	**-**	**493.90**	**552.33**

(All figures are in Lakhs unless otherwise stated)

A	Quoted	March 31, 2026		March 31, 2025	
	In Mutual Funds	No of units	Amount	No of units	Amount
	Axis Banking & PSU Debt-G	551.47	15.01	551.47	14.22
	IDFC Banking & PSU Debt Reg-G	59,745.72	15.20	59,745.72	14.40
	IDFC Corporate Bond Reg-G	59,745.72	15.14	76,107.56	14.32
	HDFC Arbitrage Wholesale-G	-	-	337,615.60	101.83
	HDFC Liquid Plan - Growth	1,123.26	60.08	-	-
	ICICI Pru Equity Arbitrage-G	209,426.67	75.06	603,583.1	203.76
	ICICI Prudential Liquid Fund - Growth	17,370.66	70.08	-	-
	Kotak Equity Arbitrage Reg-G	442,495.28	173.24	552,563.9	203.80
	Kotak Liquid Fund Regular - Growth	1,272.37	70.09	-	-
	Total	**791,731.15**	**493.90**	**1,630,167.28**	**552.33**
	Aggregate book value of quoted investments		**493.90**		**552.33**
	Aggregate market value of quoted investments		**493.90**		**552.33**
	Aggregate amount of impairment in value of investments		**-**		**-**

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
6.2	**Trade Receivables**				
	(Unsecured at Amortised Cost)				
i)	Considered good	-	-	10,333.33	11,695.93
ii)	Considered doubtful	-	-	93.93	95.07
	Less : Expected credit Loss	-	-	(190.23)	(244.96)
		-	-	10,237.03	11,546.04

A Expected Credit Loss:

Trade receivables and unbilled revenue are unsecured and are derived from revenue earned from customers primarily located in India. Periodically, the Group evaluates all customer dues to the Group for collectability. The need for impairment is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customers operates, general economic factors, which could affect the customer's ability to settle. More than 95% of the Group's customers have been transacting with the Group for over five years and none of these customers' balance are credit impaired. An impairment analysis is performed at each reporting date on invoice wise receivable balances.

The Life time credit loss write off during the year arises more out of the disputes or charges rather than credit impairment.

Since the Group Calculates impairment under the simplified approach the Group does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

Movement in the expected credit loss allowance

Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the period	244.96	313.74
Impairment loss recognised	96.22	77.29
Amount written off during the period	(150.95)	(146.07)
Provision at the end of the period	190.23	244.96

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Aging of Trade receivables as at 31st March 2026

Particulars	Unbilled/ Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables							
- considered good	775.92	7,641.99	1,156.33	261.21	229.87	268.01	10,333.33
- considered doubtful	-	-	-	-	-	-	
ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	93.93	93.93
	775.92	**7,641.99**	**1,156.33**	**261.21**	**229.87**	**361.94**	**10,427.26**
Less : Expected credit Loss							**190.23**
							10,237.03

Aging of Trade receivables as at 31st March 2025

Particulars	Unbilled/ Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables							
- considered good	7,825.28	2,560.00	565.12	285.62	223.33	236.58	11,695.93
- considered doubtful	-	-	1.14	-	-	-	1.14
ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	93.93	93.93
	7,825.28	**2,560.00**	**566.26**	**285.62**	**223.33**	**330.51**	**11,791.00**
Less : Expected credit Loss							**244.96**
							11,546.04

		As at		As at	
		March 31, 2026	**March 31, 2025**	**March 31, 2026**	**March 31, 2025**
		Non- Current		Current	
6.3	**Loans and Advances**				
	(Unsecured Considered goods)				
i)	Rent Deposits	-	-	80.26	45.67
ii)	Earnest Money Deposits	123.77	137.83	-	-
iii)	Other Security Deposits	2.04	2.04	-	-
iv)	Loans to others	135.38	133.90	338.57	161.10
		261.19	**273.77**	**418.82**	**206.77**

(All figures are in Lakhs unless otherwise stated)

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
6.4	**Cash and Bank Balances**				
A	**Cash and cash equivalents**				
i)	Balances with banks	-	-	912.70	667.66
ii)	Cash on hand	-	-	3.81	2.59
iii)	Cheques in hand	-	-	-	-
iv)	Fixed Deposits with Bank			-	-
		-	**-**	**916.50**	**670.25**
B	**Other Bank Balances**				
i)	In Earmarked Accounts (*)	-	-	-	-
ii)	Term Deposits with Banks (**)	-	-	315.23	276.96
	Total	**-**	**-**	**315.23**	**276.96**

(*) These are held as margin money or security against borrowings, guarantees and other commitments

(**) These are lien and/or pledged against short term credit facilities with banks

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
6.5	**Others**				
	Unsecured Considered Good				
i)	Contract Asset				
	- Security Deposit and Retentions	518.76	385.87	-	-
	- Unbilled Revenue	-	-	4,430.27	2,450.45
ii)	Reimbursement Right for Gratuity-Contract Staff	661.74	388.91	227.57	6.68
iii)	Interest Accrued On Deposits	-	-	3.06	33.05
iv)	Term Deposits with Banks	1,090.17	1,252.14	-	-
v)	Other Receivables	-	-	62.72	98.80
		2,270.66	**2,026.92**	**4,723.62**	**2,588.98**

7 Deferred Tax Asset

			As at March 31, 2026	As at March 31, 2025
a)	**Deferred Tax Asset on account of :**			
	i)	Depreciation due to timing difference	-	-
	ii)	Unabsorbed depreciation		
	iii)	Business Loss	6.11	12.97
			6.11	**12.97**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

8 Other Assets

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
i)	Capital Advances	59.85	59.85	-	-
ii)	Prepaid Expenses	-	-	267.65	310.66
iii)	Prepaid Taxes (Net of Provision of Tax)	1,894.15	897.68	-	-
iv)	Advance to suppliers	-	-	13.63	4.36
v)	Balances with Tax Authorities	-	-	19.43	19.39
vi)	Staff Advances	-	-	95.63	85.92
vii)	Prepaid Gratuity	-	-	-	-
	Total	**1,954.00**	**957.52**	**396.34**	**420.33**

9 Equity Share capital

		As at	
		March 31, 2026	March 31, 2025
i)	**Authorised shares :**		
	March 31, 2026: 2,00,00,000 Equity shares of ₹ 10/- each March 31, 2025: 2,00,00,000 Equity shares of ₹ 10/- each	2,000.00	2,000.00
	Total	**2,000.00**	**2,000.00**
ii)	**Issued and subscribed and Paid-up shares :**		
	March 31, 2026: 1,48,10,700 Equity shares of ₹ 10/- each March 31, 2025: 1,48,10,700 Equity Shares of ₹ 10/- each	1,481.07	1,481.07
	Total	**1,481.07**	**1,481.07**
	Total paid-up share capital	**1,481.07**	**1,481.07**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	As at			
	March 31, 2026		March 31, 2025	
	Number	Amount	Number	Amount
Balance, beginning of the year	14,810,700	1,481.07	14,784,000	1,478.40
Issued during the year	-	-	26,700.00	2.67
Balance, end of the year	14,810,700	1,481.07	14,810,700	1,481.07

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(All figures are in Lakhs unless otherwise stated)

c) Details of shareholders holding more than 5% shares in the Company

	As at			
	March 31, 2026		March 31, 2025	
	Number	%	Number	%
Equity Shares				
Mr. Virendra Dalpatram Sanghavi	7,595,000	51.28%	7,595,000	51.28%
Mr. Jaydev Virendra Sanghavi	2,182,500	14.74%	2,182,500	14.74%
	9,777,500	**66.02%**	**9,777,500**	**66.02%**

d) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

e) Shares held by Promoters

Promoter Name	As at 31 March 2026		As at 31 March 2025		% of change during the year
	No of Shares	%of total Shares	No of Shares	%of total Shares	
Mr. Virendra Dalpatram Sanghavi	7,595,000	51.28%	7,595,000	51.28%	0.00%
Mr. Jaydev Virendra Sanghavi	2,182,500	14.74%	2,182,500	14.74%	0.00%
Ms. Naini Kulkarni	651,000	4.40%	651,000	4.40%	0.00%
Mr. Aditya Sanghavi	162,750	1.10%	162,750	1.10%	0.00%
Ms. Ami Sanghavi	271,250	1.83%	271,250	1.83%	0.00%
Ms. Nirali Sanghavi	27,192	0.18%	19,262	0.13%	0.05%
Total	**10,889,692**	**73.53%**	**10,881,762**	**73.47%**	**0.05%**

10 Other Equity

		As at	
		March 31, 2026	March 31, 2025
i)	Retained Earnings	9,875.52	8,449.66
ii)	Securities Premium Account	1,531.58	1,531.58
iii)	General Reserve	690.46	690.46
iv)	Other Comprehensive Income	477.04	285.62
v)	Employee stock options	151.19	93.95
		12,725.78	**11,051.27**

11 Financial Liabilities (at amortized cost)

11.01 Long term borrowings

	As at		As at	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	Non- Current		Current	
(i) Loan from Financial Institutions				
Term Loan against property	235.02	332.96	98.55	90.28
	235.02	**332.96**	**98.55**	**90.28**
The break-up of above:				
Secured	235.02	332.96	98.55	-
Unsecured	-	-	-	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Security for loans and Terms of payment

The above loan is secured against Property 3rd Floor, Mahavir Sarvoday Plaza, Opp. Dombivali Station, Dombivali West - 421 202. The rate of interest is 8.80%. The term of loan is 60 months. The Equated Monthly Instalment (EMI) for the same is ₹ 10.77 lakhs.

Maturity Profile of Borrowings

	As at	
	March 31, 2026	**March 31, 2025**
Instalment payable within one year	98.55	90.28
Instalment payable between 2 to 5 years	235.02	332.96
Instalment payable beyond 5 years	-	-
Total	**333.57**	**423.24**

11.02 Short Term Borrowings (at amortised cost)

	As at	
	March 31, 2026	**March 31, 2025**
(Secured)		
Cash Credit Facility	136.13	1,054.88
Working Capital Loan from Yes Bank	700.00	-
Working Capital Loan from HSBC Bank	1,500.00	1,200.00
Current Maturities of Long term Borrowings	98.55	90.28
Total	**2,434.68**	**2,345.16**
Breakup of Cash Credit Facilities		
HSBC Bank Limited	78.51	928.60
Yes Bank Limited	57.62	126.28
HDFC Bank Limited	-	-
Total	**136.13**	**1,054.88**

Security for loans and Terms of payment

In respect of Cash Credit, working capital demand loan and Bank guarantees from HSBC Bank Limited

a. Pari Passu charge on Current Assets and fixed assets.
b. Exclusive Charge over Property situated at Office no. 901, 9th floor, B2, Marathon Nextgen Innova, Lower Parel, Mumbai 400013.
c. Personal Guarantee from Mr. Jaydev Sanghavi and Mr. Virendra Sanghavi
d. 15% Deposits under lien
e. 100% Deposit Under Lien open ended BG

In respect of Cash Credit, working capital demand loan and Bank guarantees from Yes Bank Limited

a. Pari Passu charge with HDFC Bank and HSBC on Current Assets and movable fixed assets.
b. Equitable mortgage of commercial properties located at Shah & Nahar Industrial Estate, Lower Parel (Mumbai) and Marathon Nextgen Realty Limited, Lower Parel (Mumbai).
c. Unconditional and Irrevocable Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi.
d. ₹ 73.50 lakhs in the form of fixed deposit receipt placed under bank lien.

In respect of Cash Credit, working capital demand loan and Bank guarantees from HDFC Bank Limited

a. First charge on Pari Passu basis with HSBC and Yes Bank by the way of Hypothecation on all present and future book debts of the Company.
b. Fixed Deposit of ₹ 383.55 lakhs under lien

(All figures are in Lakhs unless otherwise stated)

11.04 Trade Payables (at amortised cost)

		As at	
		March 31, 2026	**March 31, 2025**
i)	Trade payables - Micro, small and medium enterprises	231.62	136.56
ii)	Trade payables - Others	560.78	1,131.50
	Total	**792.40**	**1,268.06**

a) Amounts due to Micro, Small and Medium Enterprises

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

Trade Payables aging schedule as at 31st March 2026

Particulars		Less then 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	**Undisputed Trade Payables**					-
	MSME	220.37	10.85	0.34	0.05	231.62
	Others	536.81	17.47	4.26	2.24	560.78
ii)	**Disputed Trade Payables**					-
	MSME	-	-	-	-	-
	Others	-	-	-	-	-
Total		**757.18**	**28.32**	**4.60**	**2.30**	**792.40**

Trade Payables aging schedule as at 31st March 2025

Particulars		Less then 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	**Undisputed Trade Payables**					-
	MSME	130.27	0.48	5.81	-	136.56
	Others	1,116.81	13.78	0.71	0.20	1,131.50
ii)	**Disputed Trade Payables**					-
	MSME	-	-	-	-	-
	Others	-	-	-	-	-
Total		**1,247.08**	**14.26**	**6.52**	**0.20**	**1,268.06**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

		As at	
		March 31, 2026	March 31, 2025
A.	(i) Principal amount remaining unpaid	231.62	130.80
A.	(ii) Interest amount remaining unpaid	14.25	8.99
B.	Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
C.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	0.11	1.32
D.	Interest accrued and remaining unpaid	14.14	7.68
E.	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

11.03 Other Financial Liabilities (At Amortised Cost)

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
i)	Current Maturities of Long term Borrowings	-	-	-	-
i)	Advance from Customers	-	-	-	-
ii)	Employee Liabilities	-	-	3,322.12	2,881.82
iii)	Employee Benefit Liability-Contract Staff	661.74	388.91	227.57	6.68
iv)	Others	-	-	64.09	33.58
		661.74	**388.91**	**3,613.78**	**2,922.09**

12 Deferred Tax Liability

		As at	
		March 31, 2026	March 31, 2025
a)	**Deferred Tax Liability on account of :**		
	i) Depreciation due to timing difference	87.06	63.97
	ii) Valuation of Financial Assets at FVTPL	4.79	-
b)	**Deferred Tax Asset on account of :**		
	i) DIsallowance due to Non-deduction of TDS	0.30	0.30
	ii) Employee Benefits	70.19	34.89
	iii) Right of Use Asset		-
		21.36	**28.78**

(All figures are in Lakhs unless otherwise stated)

13 Other Liabilities

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
i)	Duties and Taxes payable	-	-	1,440.96	1,399.09
ii)	Security Deposit	12.00	12.00	-	-
	Total	**12.00**	**12.00**	**1,440.96**	**1,399.09**

14 Provisions

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
i)	Provision for Employee Benefits				
	Provision for Gratuity	-	-	276.04	73.55
		-	**-**	**276.04**	**73.55**

a) Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

The Group has carried out the actuarial valuation of Gratuity liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to ₹ 20 lacs The Company's gratuity liability is Funded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

Particulars		Core Staff		Contrat Staff		Total	
		As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025
(a)	Reconciliation of opening and closing balances of Defined benefit Obligation						
	Defined Benefit obligation at the beginning of the year	190.12	155.03	47.78	58.84	237.91	213.87
	Current Service Cost	21.84	18.29	20.47	27.07	42.32	45.36
	Interest Cost	11.54	10.25	2.93	3.90	14.46	14.15
	Actuarial (Gain) /Loss-Other Comprehensive Income	2.36	7.91	186.29	(0.10)	188.65	7.81
	Benefits paid	(3.80)	(1.36)	(5.69)	(41.92)	(9.49)	(43.28)
	Defined Benefit obligation at the year end	222.06	190.12	251.78	47.78	473.84	237.91
(b)	Reconciliation of opening and closing balances of fair value of plan assets						
	Fair Value of plan assets at the beginning of the year	164.36	118.59	-	-	164.36	118.59

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

	Particulars	Core Staff		Contrat Staff		Total	
		As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025
	Adjustment to the Opening fund	-	-	-	-	-	-
	Expected return on Plan Assets	0.92	2.40	-	-	0.92	2.40
	Interest Income	10.57	8.29	-	-	10.57	8.29
	Employer Contribution	25.77	36.44	-	-	25.77	36.44
	Benefits Paid	(3.80)	(1.36)	-	-	(3.80)	(1.36)
	Fair Value of Plan Assets at the year end	-	-	-	-	-	-
	Actual Return on Plan Assets	197.81	164.36	-	-	197.81	164.36
(c)	Reconciliation of fair value of assets and obligations						
	Fair Value of Plan Assets	197.81	164.36	-	-	197.81	164.36
	Present value of Defined Benefit obligation	222.06	190.12	251.78	47.78	473.84	237.91
	Liability recognized in Balance Sheet	24.25	25.77	251.78	47.78	276.03	73.56
(d)	Expenses recognized during the year (Under the head " Employees Benefit Expenses)						
	Current Service Cost	21.84	18.29	20.47	27.07	42.32	45.36
	Past service cost and loss/(gain) on curtailments and settlement	26.83	-	120.92		147.75	-
	Net Interest Cost	0.97	1.96	2.93	3.90	3.90	5.86
	Total Included in Employees Benefit Exp	49.65	20.26	144.32	30.96	193.97	51.22
(e)	Actuarial (Gain)/Loss- Other Comprehensive Income						
	Components of actuarial gain/losses on obligations:	-	-	-	-	-	-
	Due to Change in financial assumptions	(9.49)	7.57	0.15	0.80	(9.34)	8.37
	Due to change in demographic assumption	(11.08)	-	-	-	(11.08)	-
	Return on plan assets excluding amounts included in interest income	(0.92)	(2.40)	-	-	(0.92)	(2.40)
	Due to experience adjustments	(3.90)	0.34	65.22	(0.90)	61.32	(0.55)
	Amounts recognized in Other Comprehensive (Income) / Expense	(25.39)	5.51	65.37	(0.10)	39.98	5.41
(f)	Net liabilities / (Assets) recognised in the balance sheet						
	Long-term provisions	-	3.93	251.78	47.78	251.78	51.71
	Short-term provisions/(Loans and Advances)	24.25	21.84	-	-	24.25	21.84
		24.25	**25.77**	**251.78**	**47.78**	**276.04**	**73.55**

(All figures are in Lakhs unless otherwise stated)

ii) Actuarial Assumptions

Particulars	Core Staff		Contract Staff	
	As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025
Discount rate (per annum)	7.15%	6.55%	6.50%	6.55%
Rate of escalation in salary (per annum)	7.00%	7.00%	7%	7%
Attrition Rate				
Younger Age	95%	50%	50%	50%
Older Age	5%	5%	50%	50%
Rate of return on plan assets (per annum)	7.15%	6.55%	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the Group fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars		Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption				
	31-Mar-26	0.50%	0.50%	10.00%
	31-Mar-25	0.50%	0.50%	10.00%
Increase in assumption				
	31-Mar-26	(464.95)	480.52	481.51
	31-Mar-25	(231.36)	243.42	230.91
Decrease in assumption				
	31-Mar-26	483.26	(467.19)	(468.45)
	31-Mar-25	244.84	(232.61)	(249.19)

(iv) Actuarial Risk:

A Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

C Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Group there can be strain on the cashflows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

15 Current Tax Liabilities (Net)

		As at March 31, 2026	As at March 31, 2025
a)	Provision for Tax (Net of Taxes Paid)	-	-
		-	**-**

16 Revenue from Operations

		Year Ended March 2026	Year Ended March 2025
i)	**Revenue from Manpower Services**		
	Supply of Manpower and Consultancy Fees	64,394.68	50,407.68
	Fees for Business Consultancy	-	-
	Fees for Placement Services	-	-
ii)	**Other Operating Revenue**	590.50	631.22
		64,985.18	51,038.90

I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Service Type and Customer type:

(i) Revenue disaggregation by type of Service is as follows:

Major Service Type	2025-26	2024-25
Manpower Supply and Consultancy Fees	64,394.68	50,407.68
Fees for Business Consultancy	-	-
Reimbursement Income for Services Provided	590.50	631.22
	64,985.18	**51,038.90**

(ii) Revenue disaggregation by Customer Type is as follows:

Customer Type	2025-26	2024-25
Government Companies	8,168.41	9,510.77
Non Government Companies	56,816.76	41,528.13
	64,985.18	**51,038.90**

(All figures are in Lakhs unless otherwise stated)

(iii) Movement in Contract Balances

Particulars	Opening	Billed for the Financial Year	Addition during the year	Closing
Advance from Customers				
March 2026	-	-	-	-
March 2025	-	-	-	-

Particulars	Opening	Billed/ Reversed for the Financial Year	Addition during the year	Closing
Unbilled Revenue				
March 2026	2,450.45	2,450.45	4,430.27	4,430.27
March 2025	1,893.00	1,893.00	2,450.45	2,450.45

(iv) Performance Obligation

Performance obligation is satisfied on rendering of services and as agreed in the contract with the customers. The payment is generally due within 0-30 days.

17 Other Income

		Year Ended March 2026	Year Ended March 2025
i)	Interest Income on Financial Assets at FVTPL	2.41	3.20
ii)	Interest Income on Fixed Deposits	81.87	148.82
iii)	Interest Income on Loans and Advances	0.82	52.08
iv)	Profit on Sale of Property, Plant and Equipment	0.16	5.93
v)	Reversal of Provision for Expected Credit Loss	-	-
vi)	Interest Income on Financial Assets at amortised cost	-	-
vii)	Interest Income on Income Tax Refund	0.04	0.09
viii)	Sundry Balance written Back	-	1.30
ix)	Foreign Exchange Gain	38.78	-
ix)	Miscellaneous income	100.48	36.16
		224.55	**247.59**

18 Employee Benefit Expenses

		Year Ended March 2026	Year Ended March 2025
i)	Salaries & Wages, Bonus, Perquisites, etc	45,950.12	35,316.69
ii)	Contribution to Provident, Gratuity funds	1,791.10	1,428.89
iii)	Share based payments expense (Refer note no. 37)	57.24	100.85
iv)	Managerial Remuneration	336.00	336.00
v)	Staff Insurance	674.22	460.88
vi)	Staff Welfare	71.72	43.93
		48,880.39	**37,687.23**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

19 Finance Cost

		Year Ended March 2026	Year Ended March 2025
i)	Interest Expense on Lease Liability	-	-
ii)	Interest on Borrowings	279.65	293.53
iii)	Other Finance Cost	-	-
iv)	Interest on Indirect Taxes	9.59	13.98
		289.25	307.51

20 Depreciation and Amortization

		Year Ended March 2026	Year Ended March 2025
i)	Depreciation on Property, Plant & Equipment	176.84	157.43
ii)	Depreciation on Right of Use Assets	-	-
	Total	**176.84**	**157.43**

21 Other expenses

	Year Ended March 2026	Year Ended March 2025
Assets Scrapped	-	-
Remuneration to Auditor	20.73	18.67
Remuneration to Component Auditors	15.05	14.33
Director's Sitting Fees	16.90	18.60
Travelling Expenses	775.85	718.74
Expected Credit Loss	96.22	77.29
Site related Expenses	1,418.88	1,246.56
Consumables purchased	212.51	198.32
Professional Fees - Project	8,377.89	7,764.80
Project expenses	1,262.80	374.74
Rates and Taxes	-	-
Power and Fuel	25.06	26.00
Rent	278.79	228.09
Membership & Subscription	39.19	34.96
Health and Safety Expenses	140.14	127.14
Housekeeping Expenses	28.23	28.32
Insurance Charges	10.86	1.60
Advertisement Expenses	19.06	14.28
Donation	0.95	4.89
Motor Car Expenses	3.22	3.55
Food and Accommodation Expenses	146.65	185.28
Printing and Stationery Expenses	41.93	33.36
Legal & Professional Charges	301.96	257.22
Business Promotion Expenses	-	4.11
Telephone Charges	36.44	37.66
Bank Charges	29.40	83.73
Corporate Social Responsibility Expenses	36.42	27.82
Water Charges	2.08	4.48
Repairs and Maintenance Expenses	68.06	73.83
Foreign Exchange Loss	-	28.11
Loss on disposal of Fixed Assets	8.08	-
Office Maintenance Expenses	17.23	25.30
Other Expenses (None of which individually forms more than 1% of the Operating Revenue)	405.46	350.58
Total	**13,836.05**	**12,012.38**

(All figures are in Lakhs unless otherwise stated)

a) Payment to auditors

	Year Ended March 2026	Year Ended March 2025
Audit fee	15.00	12.00
Tax Matters	3.45	3.35
Others	2.28	3.32
Total payments to auditors	**20.73**	**18.67**

b) Payment to Component auditors

	Year Ended March 2026	Year Ended March 2025
Audit fee	15.05	14.33
Tax Audit	-	-
Tax Matters	-	-
Total payments to Component auditors	**15.05**	**14.33**

22 Tax Expense

		Year Ended March 2026	Year Ended March 2025
a)	**Income tax expense in the statement of profit and loss consists of:**		
	Current Tax	231.96	117.43
	Short/Excess Provision of Tax	-	-
	Minimum alternative tax entitlement	-	-
	Deferred Tax	(0.55)	0.05
	Income tax recognised in statement of profit or loss	231.41	117.48
b)	**The reconciliation between the provision of income tax of the Group and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows :**		
A	**Current Tax**		
	Accounting Profit Before Income Tax	2,027.20	1,121.93
	Less : Non taxable profit or Loss of Subsidiaries	(48.33)	(182.68)
	Taxable Profit or loss	2,075.53	1,304.61
	At Income tax rates applicable to respective tax jurisdiction	19.135%	19.078%
	Computed expected tax expenses	397.15	248.89
	Effect of non- deductible expenses	161.49	151.42
	Effects of deductible Expenses	(326.67)	(282.88)
	Income tax expenses - Net	231.96	117.43
	Tax liability as per Minimum Alternate Tax on book profits		
	Minimum Alternate Tax rate	0.00%	0.00%
	Computed tax liability on book profits		
	Tax effect on adjustments:		
	1/5 portion of Opening IND AS Reserve as on April 1, 2018		
	Effect of non deductible expense		
	Differential MAT Provided in Subsequent year		
	Minimum Alternate Tax on Book Profit	-	-
	Higher of A or B	231.96	117.43

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Note: The Company has opted for income tax under Section 115BAA of the Income tax act, 1961. As per provisions of the Act, the domestic companies opting for section 115BAA will not be able to claim MAT credits for taxes paid under MAT during the tax holiday period. The companies would not be able to reduce their tax liabilities under section 115BAA by claiming MAT credits.

Therefore, the Company has reversed all the MAT credit during the year 2020-21.

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in P&L	Recognised in OCI	Closing
As at March 31, 2024	**(18.50)**	**2.74**	**-**	**(15.76)**
Property, Plant and Equipment	(48.84)	(15.12)		(63.97)
Employee benefits	22.47	12.72		35.19
Business loss & unabsorbed depreciation	10.61	2.36	-	12.97
As at March 31, 2025	**(15.76)**	**(0.05)**	**-**	**(15.80)**
Property, Plant and Equipment	(63.97)	(23.10)		(87.06)
Financial Assets valued at FVTPL	-	(4.79)		(4.79)
Employee benefits	35.19	35.31		70.50
Business loss & unabsorbed depreciation	12.97	(6.87)		6.11
As at March 31, 2026	**(15.80)**	**0.55**	**-**	**(15.25)**

23 Disclosure as required by Accounting Standard – IND AS 33 “Earning Per Share” of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	Year Ended March 2026	Year Ended March 2025
Net profit attributable to owners of the Holding Company	1,762.05	1,004.45
Outstanding equity shares at period end - Nos	14,810,700	14,810,700
Weighted average Number of Shares outstanding during the period – Basic	14,810,700	14,788,096
Weighted average Number of Shares outstanding during the period - Diluted / Diluted (Restated)	14,942,021	14,921,254
Earnings per Share - Basic (₹)	11.90	6.79
Earnings per Share - Diluted / Diluted (Restated) (₹)	11.79	6.73

Reconciliation of weighted number of outstanding during the period:

Particulars	Year Ended March 2026	Year Ended March 2025
Nominal Value of Equity Shares (₹ per share)	10	10
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	14,810,700	14,784,000
Add : Issue of Equity Shares	-	26,700
Total number of equity shares outstanding at the end of the period	14,810,700	14,810,700
Weighted average number of equity shares at the end of the period	14,810,700	14,810,700
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	14,810,700	14,810,700
Weighted average number of equity shares used in calculating diluted EPS	14,942,021	14,921,254

(All figures are in Lakhs unless otherwise stated)

24 Contingent Liabilities

Particulars	March 31, 2026	March 31, 2025
Bank Guarantees	1,269.28	1,423.44
Indemnity for Surety Bond	331.10	
Total	**1,600.38**	**1,423.44**

25 Commitments

Particulars	March 31, 2026	March 31, 2025
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)	4.16	4.16
Total	**4.16**	**4.16**

26 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance In accordance with IND AS "Operating Segment", The Group has only one reportable operating segment i.e. Manpower Supply and Consultancy Services.

Additional disclosure required as per Ind AS 108

Particulars	March 31, 2026	March 31, 2025
Revenue from geographical segment		
-Within India	56,783.59	46,415.74
-Outside India	8,201.59	4,623.16
Total	**64,985.18**	**51,038.90**

a) The non-current assets attributable to any particular geographical segment is not material for disclosure.

b) Major Customers

The top 1 customers account for 13% of the total revenue earned during the year ended March 31,2026 (March 31,2025:Top 1 customers accounted for 17% of the total revenue earned).

During the year under review, the Company has been operating in the domestic and international markets, however the international turnover is merely 0.5% of the total turnover achieved thus the Segment Results in accordance with IND AS 108 on segmental reporting and Company Accounting Standards Rules, 2006 is not provided since the same is not prepared by the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

27 Disclosure of interest in other entities as per Ind AS 112

I Consolidated financial statements comprises the financial statements of Aarvi Encon Limited, its subsidiaries as listed below:

S. No.	Name of Entity	Principal place of business	Principal Activities	Proportion of ownership (%) as at March 31, 2026	Proportion of ownership (%) as at March 31, 2025
(i)	**Subsidiary companies**				
1	Aarvi Engineering & Consultants Private Limited	India	Manpower and Consultancy Service	100.00	100.00
2	Aarvi Encon FZE	UAE		100.00	100.00
3	Aarvi Encon Resources Limited - UK	UK		100.00	100.00
4	Aarvi Energy Company, Saudi Arabia	Saudi Arabia		100.00	Not Applicable
(ii)	**Entities significantly controlled**				
1	Aarvi Encon Staffing Services W.L.L - QATAR	Qatar	Manpower and Consultancy Service		
2	PT Aarvi Encon Services, Indonesia (Step Down Subsidiary)	Indonesia			
3	Aarvi Encon LLC, Oman (Step Down Subsidiary)	Oman			
4	MNR Technical Services LLP (Step Down Subsidiary)	UAE			

II The entity does not have any subsidiaries that have non controlling interests.

28 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Name of the related parties and related party relationships

A List of related parties

i Key Management Personnel
Mr. Virendra Sanghavi, Managing Director
Mr. Jaydev Sanghavi, Executive Director & CFO
Ms Leela S. Bisht, Company Secretary & Compliance Officer

ii Entities significantly influenced or controlled by Key Management Personnel or their relatives
Energyjobz Services Private Limited
Aarvi Encon Employees Group Gratuity Fund

iii Relatives of Key Management Personnel
Mr. Ninad Kulkarni (son in law of Managing Director)
Mrs. Naini Kulkarni, Proprietor of M/s Aarvi IT Services (daughter of Managing Director)
Mrs. Ami J. Sanghavi (wife of Executive Director)
Mr. Aditya J. Sanghavi (son of Executive Director)
Ms. Nirali J. Sanghavi (Daughter of Executive Director)

(All figures are in Lakhs unless otherwise stated)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Remuneration to Key Management Personnels (KMP)*				
Mr. Virendra Sanghavi	-	168.00	-	168.00
	-	(168.00)	-	(168.00)
Mr. Jaydev Sanghavi	-	168.00	-	168.00
	-	(168.00)	-	(168.00)
Ms Leela Bisht	-	11.28	-	11.28
	-	(9.14)	-	(9.14)
Rent				
Ms. Nirali J. Sanghavi	-	-	-	-
	-	-	(4.20)	(4.20)
Salaries and wages				
Mrs. Naini N. Kulkarni	-	-	42.98	42.98
	-	-	(37.54)	(37.54)
Mrs. Ami J. Sanghavi	-	-	20.80	20.80
	-	-	(18.20)	(18.20)
Mr. Aditya Sanghavi	-	-	15.58	15.58
	-	-	-	-
Mr. Ninad Kulkarni	-	-	1.79	1.79
	-	-	(4.25)	(4.25)
Director sitting fees				
Mr. Devendra J Shrimanker, Independent Director	-	4.60	-	4.60
	-	(5.00)	-	(5.00)
Mrs. Sonal N Doshi, Independent Director	-	4.60	-	4.60
	-	(4.40)	-	(4.40)
Mrs. Padma V Devarajan, Independent Director	-	3.30	-	3.30
	-	(5.00)	-	(5.00)
Mr. Ramamoorthy Ramachandran, Independent Director	-	4.05	-	4.05
	-	(4.20)	-	(4.20)
Mr. Jagat Suresh Parikh	-	0.35	-	0.35
	-	-	-	-
Dividend paid				
Mr. Virendra Sanghavi	-	151.90	-	151.90
	-	(151.90)	-	(151.90)
Mr. Jaydev Sanghavi	-	43.65	-	43.65
	-	(43.65)	-	(43.65)
Mrs. Ami Jaydev Sanghavi	-	-	5.43	5.43
	-	-	(5.43)	(5.43)
Mr. Aditya Jaydev Sanghavi	-	-	3.26	3.26
	-	-	(3.26)	(3.26)
Mrs. Naini Ninad Kulkarni	-	-	13.02	13.02
	-	-	(13.02)	(13.02)
Ms. Nirali J. Sanghavi	-	-	0.20	0.20
	-	-	(0.20)	(0.20)
Outstanding				
Mr. Virendra Sanghavi	-	55.49	-	55.49
	-	(55.71)	-	(55.71)
Mr. Jaydev Sanghavi	-	80.83	-	80.83
	-	(80.80)	-	(80.80)
Mrs. Naini N. Kulkarni	-	-	2.41	2.41
	-	-	(2.10)	(2.10)
Mrs. Ami J. Sanghavi	-	-	1.40	1.40
	-	-	(1.17)	(1.17)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Ms Nirali J. Sanghavi	-	-	-	-
	-	-	(0.32)	(0.32)
Mr. Aditya J. Sanghavi	-	-	1.18	1.18
	-	-	-	-
Mr. Ninad Kulkarni	-	-	0.13	0.13
	-	-	(0.49)	(0.49)

For KMP Reimbursement of Expenses is not reported above

(Previous years figures are in bracket)

* Expenses towards gratuity and compensated absences has not been considered in above information as a separate actuarial valuation is not available. Remuneration reported pertains to the amount paid including variable pay of previous year but does not include provisions towards variable pay, share based payment expenses as per Ind AS 102 etc.

All transactions with these related parties are priced on an arm's length basis. None of the balance is secured.

29 Corporate Social Responsibility

For 2025-26

a Gross amount required to be spent by the Company during the year : ₹ 26.12 Lacs

b Excess amount spent for the Financial Year 24-25 (Amount Allowed to be set off against CSR Expenditure of the Current Year) : ₹ 1.34Lacs

c Amount to be spent in F.Y. 2025-26 : ₹ 24.78 Lacs

d Actual Amount spent by the Company during the year is as follows ;

Activity	Paid in Cash	Yet to be Paid in Cash	Total
1. Promoting Education 2. Ensuring Environmental Sustainability. 3. Promoting Healthcare including Preventive Care	36.42	-	36.42
Total	**36.42**	**-**	**36.42**

For 2024-25

a Gross amount required to be spent by the Company during the year : ₹ 27.98 Lacs

b Excess amount spent for the Financial Year 23-24 (Amount Allowed to be set off against CSR Expenditure of the Current Year) : ₹ 1.50 Lacs

c Amount to be spent in F.Y. 2024-25 : ₹ 26.48 Lacs

d Actual Amount spent by the Company during the year is as follows ;

Activity	Paid in Cash	Yet to be Paid in Cash	Total
1. Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. 2. Rural development projects, Disaster management, including relief, rehabilitation and reconstruction activities. 3. Contribution to the prime minister's national relief fund or any other fund set up by the central govt. or state govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	27.82	-	27.82
Total	**27.82**	**-**	**27.82**

(All figures are in Lakhs unless otherwise stated)

30 Derivative Instruments and Unhedged Foreign Currency Exposure

(i) There are no derivative instruments outstanding as at March 31, 2026 and March 31, 2025.

(ii) Unhedged foreign currency exposure towards receivables outstanding as at March 31, 2026 and March 31, 2025 is as under:

Particulars		As at			
		March 31,2026		March 31,2025	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables					
a)	USD	0.68	63.41	2.48	212.35
b)	AED	-	-	7.04	164.03
c)	GBP	0.97	120.16	0.88	97.74
d)	QAR	18.29	471.65	8.76	205.74
e)	SAR	2.37	59.43	-	-

31 Significant accounting judgements, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosures 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 .

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

32 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2026 and March 31, 2025 is as follows:

		Carrying Value		Fair Value	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
a)	**Financial Assets**				
	Amortised Cost				
	Trade Receivable	10,237.03	11,546.04	10,237.03	11,546.04
	Loans and Advances	680.01	480.53	680.01	480.53
	Cash and cash equivalents	916.50	670.25	916.50	670.25
	Other Bank balances	315.23	276.96	315.23	276.96
	Other	6,994.28	4,615.90	6,994.28	4,615.90
	Total Financial Assets	**19,143.05**	**17,589.69**	**19,143.05**	**17,589.69**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

		Carrying Value		Fair Value	
		March 31, 2026	**March 31, 2025**	**March 31, 2026**	**March 31, 2025**
b)	**Financial Liabilities**				
	Amortised Cost				
	Borrowings	2,669.70	2,678.12	2,669.70	2,678.12
	Trade payables	792.40	1,268.06	792.40	1,268.06
	Others	4,275.52	3,311.00	4,275.52	3,311.00
	Total Financial Liabilities	**7,737.62**	**7,257.18**	**7,737.62**	**7,257.18**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

33 Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2026 and March 31, 2025.

Particulars	Fair Value measurement using			
	Date of Valuation	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-26	493.90	-	-
Total financial assets		493.90	-	-
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-25	552.33	-	-
Total financial assets		552.33	-	-

34 Financial risk factors

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and

(All figures are in Lakhs unless otherwise stated)

management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables, investments and other financial instruments.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors its risk of a shortage of funds on a regular basis. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities.

(c) 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 two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risks include trade receivable and trade payable.

i. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

ii. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Group does not have significant foreign currency exposure and hence is not exposed to any significant foreign currency risks.

The Working Capital Position of the Group is given below:

	March 31, 2026	March 31, 2025
Current Assets		
Investment	493.90	552.33
Trade receivable	10,237.03	11,546.04
Cash and Cash Equivalent	916.50	670.25
Bank Balance	315.23	276.96
Loans and Advances	418.82	206.77
Other Financial Asset	4,723.62	2,588.98
Other Current Assets	396.34	420.33
Total	**17,501.44**	**16,261.66**
Less:		
Current Liabilities		
Borrowings	2,434.68	2,345.16
Lease Liability	-	-
Trade Payables	792.40	1,268.06
Others	5,330.78	4,394.73
Total	**8,557.86**	**8,007.95**
Net Working Capital	**8,943.59**	**8,253.71**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities :

	Less than 1 year	2-5 years	Total
As at March 31, 2026			
Borrowings	2,434.68	235.02	2,669.70
Trade Payables	792.40	-	792.40
Other Financial Liabilities	3,613.78	661.74	4,275.52
Total	**6,840.86**	**896.76**	**7,737.62**
As at March 31, 2025			
Borrowings	2,345.16	332.96	2,678.12
Trade Payables	1,268.06	-	1,268.06
Other Financial Liabilities	2,922.09	388.91	3,311.00
Total	**6,535.31**	**721.87**	**7,257.18**

35 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, short term borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2026	March 31, 2025
Gross Debt	2,669.70	2,678.12
Less:		
Investment in Mutual Funds	493.90	552.33
Cash and Cash Equivalent	916.50	670.25
Other Bank Balances	315.23	276.96
Net debt (A)	**944.07**	**1,178.58**
Total Equity (B)	**14,206.85**	**12,532.34**
Gearing ratio (A/B)	**0.07**	**0.09**

36 Transactions with companies struck off

There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

37 Share based payments

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended 31st march , 2026	For the year ended 31st march , 2025
Expense arising from equity settled share based payment transactions (ESOP)	57.24	100.85
	57.24	**100.85**

(All figures are in Lakhs unless otherwise stated)

The Company has implemented Employee Stock Option Scheme 2022 ('ESOP 2022') as approved by the shareholders on 29th July, 2022. The ESOP 2022 Scheme covers the permanent employees of the Company and its subsidiaries and directors (excluding promoter directors) [collectively "eligible employees"]. The nomination and remuneration committee of the Board of AARVI ENCON LIMITED administers the ESOP 2022 Scheme and grants stock options to eligible employees.

Details of the options granted during the year ended 31st March, 2025 under the Scheme(s) are given below:

Scheme detaila	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
ESOP 2022	1-Jan-24	38,500	25.00	1 Year	1 year from Vesting date
ESOP 2022	1-Jan-24	38,500	25.00	2 Year	2 years from Vesting date
ESOP 2022	1-Jan-24	38,500	25.00	3 Year	3 years from Vesting date
ESOP 2022	1-Jan-24	38,500	25.00	4 Year	4 years from Vesting date
ESOP 2022	1-Jan-24	38,500	25.00	5 Year	5 years from Vesting date

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of face value each.

Stock option activity under the scheme(s) for the year ended 31st March, 2O26 is set out below:

ESOP 2022

Particulars	No of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	163,300.00	25.00	25.00	2.25
Granted during the year	-	25.00	25.00	-
Forfeited/cancelled during the year		25.00	25.00	-
Lapsed during the year	-	25.00	25.00	-
Exercised during the year		25.00	25.00	-
Outstanding at the end of the year	163,300.00	25.00	25.00	1.75
Exercisable at the end of the year	49,300.00	25.00	25.00	1.00

38 Financial Ratios

Particulars		March 31, 2026	March 31, 2025	% Variance	Reasons
a)	Current ratio				
	Current Assets	17,501.44	16,261.66	0.71%	
	Current Liabilities	8,557.86	8,007.95		
	Current ratio	**2.05**	**2.03**		
b)	Debt-Equity ratio				
	Debt	2,669.70	2,678.12	-12.06%	Due to increase in profits and debts remains at same levels
	Equity	14,206.85	12,532.34		
	Debt-Equity ratio	**0.19**	**0.21**		

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

	Particulars	March 31, 2026	March 31, 2025	% Variance	Reasons
c)	Debt service coverage ratio				
	EBIDTA	2,493.28	1,586.87	64.91%	Due to increase in profits.
	Debt service	279.65	293.53		
	Debt service coverage ratio	**8.92**	**5.41**		
d)	Return on equity ratio				
	Net Profits after taxes	1,762.05	1,004.45	58.78%	Due to increase in profits as compared to previous year.
	Average Shareholder's Equity	13,369.60	12,101.21		
	Return on equity ratio	**0.13**	**0.08**		
e)	Inventory turnover ratio				
	sales	Not applicable	Not applicable		
	Average Inventory	Not applicable	Not applicable		
		Not applicable	Not applicable		
f)	Trade receivables turnover ratio				
	Net Credit Sales	64,985.18	51,038.90	15.99%	Due to increase in sales as compared to previous year and increase receivables as compared to previous year.
	Average Accounts Receivable	10,891.53	9,921.60		
	Trade receivables turnover ratio	**5.97**	**5.14**		
g)	Trade payables turnover ratio				
	Net Credit Purchases	Not applicable	Not applicable		
	Average Trade Payables	Not applicable	Not applicable		
	Trade payables turnover ratio	Not applicable	Not applicable		
h)	Net capital turnover ratio				
	Net Sales	64,985.18	51,038.90	17.50%	Due to increase in sales as compared to previous year.
	Working Capital	8,943.59	8,253.71		
	Net capital turnover ratio	**7.27**	**6.18**		
i)	Net profit ratio				
	Net Profit	1,762.05	1,004.45	37.78%	Due to increase in profits as compared to previous year.
	Net Sales	64,985.18	51,038.90		
	Net profit ratio	**2.71%**	**1.97%**		
j)	Return on capital employed				
	Earning before interest and taxes	2,316.44	1,429.44	46.15%	Due to increase in profits as compared to previous year.
	Capital Employed	16,897.91	15,239.24		

(All figures are in Lakhs unless otherwise stated)

Particulars		March 31, 2026	March 31, 2025	% Variance	Reasons
	Return on capital employed	**13.71%**	**9.38%**		
k)	Return on investment				
	Net Profit	2,027.20	1,121.93	62.85%	Due to increase in profits as compared to previous year.
	Net Investment	16,876.55	15,210.47		
	Return on investment	**12.01%**	**7.38%**		

39 Effective November 21, 2025, the Government of India (GoI) has consolidated multiple existing labour legislations into a unified framework comprising four labour codes collectively referred to as the 'The New Labour Codes'. The Company has done actuarial valuation of Gratuity as on 31st March 2026. On the basis of Actuarial Valuation The Company has disclosed the incremental impact of these changes, which has resulted an increase in gratuity liability by ₹ 147.75 Lacs and the same has been recognised as an exceptional item in the current reporting period. In case of associate employees i.e. billable employees, the Company is of the view that these costs are contractually recoverable from customers and therefore do not have any impact on the statement of profit and loss for the period. The GoI is in the process of notifying rules related to the New Labour Codes and impact of these will be evaluated and accounted for in accordance with the applicable Indian accounting standards in the period in which they are notified.

40 During the year ended 31st March 2026, the Company reviewed the requirement of maintaining the Gratuity Retention Balance in view of the implementation of the New Labour Code and considering that adequate provision for gratuity liability has already been made based on actuarial valuation carried out in accordance with applicable accounting standards. Accordingly, the Company has written back the Gratuity Retention Balance amounting to ₹ 114.02 Lakhs, and the same has been disclosed as an Exceptional Item in the current reporting period.

41 Disclosure as required under Schedule III of the Companies Act, 2013

The disclosure of breakup of net assets and profit after tax, entity wise is given in Statement 2 attached.

42 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Group for the year ended March 31, 2026.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Statement 2

AARVI ENCON LIMITED

(Formerly known as Aarvi Encon Private Limited)

Note to the Consolidated Financial Statements for the Year Ended March 31, 2026

Disclosure as per Schedule III of Companies Act, 2013

(₹ in lakhs)

Name of the entity	2025-26						2024-25					
	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in OCI		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in OCI	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)	As % of consolidated OCI	Amount (₹)	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)	As % of consolidated OCI	Amount (₹)
a) Parent												
Aarvi Encon Limited	81.44%	11,570.15	64.71%	1,140.29	-26.40%	(39.98)	85.45%	10,708.81	77.01%	773.49	-11.77%	-5.41
b) Subsidiaries												
Aarvi Engineering & Consultants Private Limited	0.22%	30.75	0.00%	0.04	0.00%	-	0.24%	30.70	-2.26%	(22.67)	0.00%	-
Aarvi Encon FZE	21.89%	3,110.02	43.95%	774.49	149.44%	226.32	16.83%	2,109.04	36.66%	368.23	124.32%	57.14
Aarvi Encon Resources Limited - UK	-0.82%	(116.73)	-0.85%	(14.96)	-7.04%	(10.67)	-0.73%	(90.92)	-1.15%	(11.57)	-4.41%	(2.03)
Aarvi Encon Staffing Services W.L.L - QATAR	-2.19%	(310.92)	-3.56%	(62.70)	-15.15%	(22.94)	-1.80%	(225.28)	-10.26%	(103.03)	-8.14%	(3.74)
Aarvi Energy Company - Saudi Arabia	-0.54%	(76.42)	-4.26%	(75.12)	-0.86%	(1.30)	0.00%	-	0.00%	-	0.00%	-
Grand Total	100.00%	14,206.85	100.00%	1,762.05	100.00%	151.44	100.00%	12,532.34	100.00%	1,004.45	100.00%	45.96

INDEPENDENT AUDITOR'S REPORT

To The Members of

Aarvi Encon Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited accompanying standalone financial statements of **Aarvi Encon Limited** (the "company"), which comprise the standalone Balance Sheet as at March 31, 2026, the standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income, the standalone statement of Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) as 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 sections 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 Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Responses
1. Revenue Recognition	**Principal Audit Procedures**
The Company's contracts with customers include contracts with multiple services. The Company derives revenues from manpower supply and related services. The Invoicing for these services is either based on cost plus a service fee or fixed fee model. The Company's invoicing cycle is on contractual basis and recognized as receivables based on customer acceptances for delivery of work/attendance of resources. Revenue for the post billing period is recognized as unbilled revenues. Unbilled revenues are invoiced subsequent to the year-end based on customer acceptances. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgement. As certain contracts with customers involve management's judgment in (1) identifying distinct performance obligations, (2) determining whether the Company is acting as a principal or an agent, revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort.	Our audit procedures related to the (1) identification of distinct performance obligations, (2) determination of whether the Company is acting as a principal or agent included the following among others: • We tested the effectiveness of controls relating to the- (a) identification of distinct performance obligations, (b) determination of whether the Company is acting as a principal or an agent and • We selected a sample of contracts with customers and performed the following procedures: – Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement. – Identified significant terms and deliverables in the contract to assess management's conclusions regarding the- (i) identification of distinct performance obligations (ii) whether the Company is acting as a principal or an agent.

Key Audit Matter	Auditor's Responses
2. Completeness and Accuracy of Payroll Expenses	**Principal Audit Procedures**
Payroll constitutes the largest operational expense. The sheer scale and volume of transactions, including contractual and temporary workers, create a risk of calculation errors, or incorrect statutory deductions. Also, during the year under review the company migrated their payroll processing platform to integrate it with the billing process which raised the risk of calculation errors.	Obtained sample of appointment letters of those employees joined during the year under review payroll records and verified attendance systems, recalculated wage and statutory deductions, and investigated unusual payroll spikes.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are 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 including other comprehensive income, cash flows and changes in equity 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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 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 basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 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 and Board of Directors.
- 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements, including the disclosure, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2026 and are therefore the key audit matters. We describe these matters in our auditor's 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 outweigh the public interest benefits of such communication.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2020 ("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 1**, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

2. A. As required by section 143(3) of the Act, we further 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 purposes 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 except for the matters stated in the paragraph 2B(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Standalone Statement of Cash Flow and Statement of Changes in Equity 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 applicable Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounts Standard) Rules, 2015, as amended.

   e) On the basis of written representations received from the directors as on 31 March 2026, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026, from being appointed as a director in terms of Section 164(2) of the Act.

   f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and para 2(B)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   g) 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 2'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control 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 has disclosed the impact of pending litigations as at 31 March, 2026 on its financial position in its standalone financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared/paid during the year and subsequent to the year-end by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the response software.

(i) The feature of recording audit trail (edit log) facility has not been enabled at the database level to log any direct data changes for the accounting software used for maintaining the records relating to payroll.

(ii) The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software relating to payroll for the period 1 April 2025 to 31 March 2026.

Further, where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

C. Companies Act the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

For **Jay Shah & Associates**.
Chartered Accountants
Firm Reg. No. 135424W

CA. Jay Shah
(Proprietor)
Membership No. 134334
UDINo. : 26134334LAMZBC5279
Place : Mumbai
Date : 22nd May, 2026

Annexure – 1 to the Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2026, we report that

(i) (a) [A] The company is in process of maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

[B] The company is in process of maintaining proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has a regular program of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years. According to information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information & explanations given to us and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company being in service sector, does not hold any physical inventories. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned and disbursed working capital limits of Rs.7 Crore, in aggregate, from the banks on the basis of security of current assets and fixed assets. In our opinion, the statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(III) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments and also provided advances in the nature of loans to companies, firms, limited liability partnerships or any other parties during the year.

Particulars	Investment (Rs. In Lakhs)	Advances in the nature of Loan (Rs. In Lakhs)
Aggregate Amount During the Year		
- Subsidiary Companies	11.76	Nil
- Associate Company	Nil	199.53
Amount Outstanding at the Balance Sheet date		
- Subsidiary Companies	89.62	119.58
- Associate Company	22.06	471.64

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans or advances in the nature of loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to following Promoters, related parties as defined in the clause (76) of section 2 of the Companies Act, 2013.

(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 to the loans and investments made.

(v) The Company has not accepted deposits from the public during the year and does not have any unclaimed deposits as at March 31, 2026 and therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

(vii) (a) According to the information and explanation given to us and on the basis of our examination of books of accounts and records, the Company has been regular in depositing the statutory dues applicable to the company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Service tax, provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, value added tax were in arrears, as at March 31, 2026 for a period of more than 6 months from the date on when they became payable.

(c) According to the information and explanation given to us, there are no dues of sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and Income tax outstanding on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no such transactions found unrecorded in the books of accounts of the company which have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, the reporting under clause 3(x)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we report that no funds raised on short term basis have been utilized for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries

(x) (a) 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, paragraph 3(x)(a) of the Order is not applicable.

(b) Further according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year.

(xi) (a) A case involving embezzlement of funds to the extent of Rs. 7,00,000/- (Rupees Seven Lakhs only), by the employee of the company, by falsification of records and documents which was reported in the preceding years, out of which an amount of Rs. 6,00,000/- (Rupees Six Lakhs only) is outstanding as on date of this report. Apart from the above, during the course of our examination of books of accounts carried out by us in accordance with the generally accepted auditing practice in India, prima-facie no other instances of fraud on or by the company was noticed or reported during the year.

(b) According to the information and explanation given to us no report under section 143(12) of Companies Act, was required to be filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit & Auditors) Rules 2014, with the Central Government.

(c) As per information and explanation given by management and/or audit committee there were no whistle blower complaints received by the company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and 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) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) & (b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence reporting under clause 3(xvi)(a) and clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

(xvii) The company is generally profit-making company and there was no cash loss either during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the company during the year and hence reporting under clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans based on our examination of evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that Company is not capable of meeting its liabilities existing as at the balance date as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give no guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **Jay Shah & Associates**.
Chartered Accountants
Firm Reg. No. 135424W

CA. Jay Shah
(Proprietor)
Membership No. 134334
UDINo.: 26134334LAMZBC5279
Place : Mumbai.
Date : 22nd May, 2026.

Annexure – 2 to the Independent Auditor's Report

Report on the Internal Financial Controls Over Financial Reporting 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 **Aarvi Encon Limited** ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on 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 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 ('ICAI'). These responsibilities 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 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.

Auditors' 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 on Auditing, 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 and, 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 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 commensurate to its size and nature of business and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, 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 **Jay Shah & Associates**.
Chartered Accountants
Firm Reg. No. 135424W

CA. Jay Shah
(Proprietor)
Membership No. 134334
UDIN No.: 26134334LAMZBC5279
Place: Mumbai.
Date: 22nd May, 2026.

Standalone Balance Sheet as at March 31, 2026

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2026	As at March 31, 2025
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	1	1,638.32	1,715.03
(b) Other Intangible Assets	2	20.90	27.87
(c) Intangible Asset Under Development	2.1	15.39	-
(d) Financial Assets	3		
(i) Investments	3.1	111.69	99.92
(ii) Loans and Advances	3.3	717.04	607.40
(iii) Others	3.5	2,250.33	2,008.40
(e) Other non current assets	4	1,863.44	926.31
		6,617.11	**5,384.93**
(2) Current Assets			
(a) Financial Assets	3		
(i) Investments	3.1	448.55	509.39
(ii) Trade Receivable	3.2	8,103.62	9,635.24
(iii) Cash and cash equivalents	3.4	130.81	322.88
(iv) Other Bank Balances	3.4	315.23	276.96
(v) Loans and Advances	3.3	80.26	36.59
(vi) Others	3.5	4,568.64	2,508.67
(b) Other current assets	4	298.30	262.99
		13,945.41	**13,552.71**
Total Assets		**20,562.52**	**18,937.64**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	5	1,481.07	1,481.07
(b) Other Equity	6	10,089.08	9,227.74
		11,570.15	**10,708.81**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	7.1	235.02	332.96
(ii) Lease Liability	7.2		
Others	7.4	661.74	388.91
(b) Provisions	10	-	-
(c) Deferred Tax Liabilities (Net)	8	21.36	28.78
(d) Other Non-current liabilities	9	12.00	12.00
		930.12	**762.65**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	7.2	2,434.68	2,345.16
(ii) Lease Liability		-	-
(iii) Trade payables	7.3		
- Total outstanding dues of micro enterprises and small enterprises		229.64	130.80
- Total outstanding dues of creditors other than micro enterprises and small enterprises		445.68	731.36
(iv) Others	7.4	3,357.36	2,879.10
(b) Other current liabilities	9	1,318.85	1,306.22
(b) Provisions	10	276.04	73.55
(c) Liabilities for current tax (net)	11	-	-
		8,062.25	**7,466.19**
Total Equity and Liabilities		**20,562.52**	**18,937.64**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

Standalone Statement of Profit and Loss for the year ended March 31, 2026

(All amounts are Rupees in lakhs unless otherwise stated

	Particulars	Note Ref	Year ended March 31, 2026	Year ended March 31, 2025
I	Revenue from Operations (Gross)	12	56,992.27	46,408.10
II	Other Income	13	286.45	304.19
III	**Total Revenue (I + II)**		**57,278.72**	**46,712.29**
IV	**Expenses:**			
	Employee Benefit Expenses	14	44,015.00	35,078.38
	Finance Cost	15	287.97	306.93
	Depreciation and amortisation expense	16	176.47	156.45
	Other Expenses	17	11,464.52	10,309.35
	Total Expenses (IV)		**55,943.96**	**45,851.11**
V	**Profit/(Loss) Before Exceptional items and Tax (III-IV)**		**1,334.76**	**861.17**
VI	Exceptional items			
	1. Impact of new labour code	35	147.75	-
	2. Old gratuity provision written back	36	(114.02)	-
VII	Profit/(Loss) Before Tax (V-VI)		1,301.03	861.17
VIII	Tax Expense	18		
	1. Current Tax		168.16	85.28
	2. Short/Excess Provision of Tax		-	-
	3. Deferred Tax (Credit)/Charge		(7.42)	2.41
	4. MAT Credit			
	Total Tax Expenses (VIII)		**160.74**	**87.69**
IX	**Profit/(Loss) for the year (VII-VIII)**		**1,140.29**	**773.49**
X	Other comprehensive income			
A	(i) Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans		(39.98)	(5.41)
	(ii) Income Tax relating to items that will not be reclassified to statement of profit and loss			
	Other Comprehensive Income for the year, net of tax		(39.98)	(5.41)
XI	**Total comprehensive income for the year**		**1,100.31**	**768.08**
	Earnings per Share			
	Basic	19	7.70	5.23
	Diluted/Diluted(Restated)		7.63	5.18
	Nominal Value per share of ₹10 each			

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

Statement of Changes in Equity

(All figures are in lakhs unless otherwise stated)

A Equity

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of Shares	Amount	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	14,810,700	1,478.40	14,784,000	1,478.40
Changes in equity share capital during the year		-	26,700.00	2.67
Balance at the end of Reporting year	**14,810,700**	**1,478.40**	**14,810,700**	**1,481.07**

B Other Equity

Particulars	Retained Earnings	Securities Premium	General Reserve	Equity Stock Option	Total
Balance as at April 1 2024	**6,439.35**	**1,492.29**	**690.46**	**28.38**	**8,650.48**
Profit/(Loss) for the year	773.49	-	-	-	773.49
Dividend paid during the year	(295.68)	-	-	-	(295.68)
Addition/(utilisation) during the year	-	39.29		(35.28)	4.01
Less : Transferred to General Reserve	-		-	-	-
Less : Deferred tax liability on above	-	-	-	-	-
Share based payments expense (Refer Note No 32)	-	-	-	100.85	100.85
Defined Benefit Obligation	(5.41)	-	-	-	(5.41)
Balance as at 31 March 2025	**6,911.75**	**1,531.58**	**690.46**	**93.95**	**9,227.74**
Profit/(Loss) for the year	1,140.29	-	-	-	1,140.29
Dividend paid during the year	(296.21)	-	-	-	(296.21)
Addition/(utilisation) during the year	-	-	-	-	-
Less : Transferred to General Reserve	-	-	-	-	-
Less : Deferred tax liability on above	-	-	-	-	-
Share based payments expense (Refer Note No 31)	-	-	-	57.24	57.24
Defined Benefit Obligation	(39.98)	-	-	-	(39.98)
Balance as at 31 March 2026	**7,715.84**	**1,531.58**	**690.46**	**151.19**	**10,089.08**

General Reserve

The General Reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes.

Securities Premium

Securities Premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of Companies Act, 2013. In case of equity settled share based payment transactions,the difference between fair value on grant date and nominal value of share is accounted as securities premium.

During Financial Year 2017 -18, the Company had come up with the Initial Public Offer (IPO) and raised 21.24 Crores, out of which Security Premium of ₹ 17.30 Crores was raised.

During the previous year, the addition of ₹ 39.29 lakhs to Securities Premium pertains to freshs issue of 2.67 lakhs equity shares under Employee Stock Option. Out of which, the Company has received Securities Premium of ₹ 4.01 lakhs in cash and balance of ₹ 35.28 lakhs has been transferred from Equity Stock Option.

Retained Earnings

Retained Earnings represents undistributed accumulated earnings of the Company as on the balance sheet date.

Employee stock options

Employee stock options is used to record the share based payments, expense under the scheme as per IND AS.The reserve will be used for the settlement of ESOP. (refer Note 31).

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

Standalone Cash Flow Statement for the period ended March 31, 2026

(All amounts are Rupees in lakhs unless otherwise stated)

Particulars	2025-26		2024-25	
Cash flows from operating activities				
Profit /(loss) before tax		1,301.03		861.17
Adjustments:				
Depreciation & amortisation	176.47		156.45	
Interest expense	287.97		306.93	
Interest income	(128.37)		(252.86)	
Liabilities no longer required written back	-		(1.30)	
Share based payments expenses	57.24		100.85	
Expected Credit Loss	85.49		69.61	
Loss/(Profit) on sale of property, plant and equipment	7.92		(5.93)	
		486.73		**373.77**
Operating cash flows before working capital changes and other assets		1,787.75		1,234.92
Decrease/ (increase) in Trade receivables	1,446.13		(2,529.86)	
Decrease/ (increase) in Financial Assets	(2,493.47)		328.82	
Decrease/ (increase) in Other Assets	(35.31)		59.80	
(Decrease)/increase in Trade Payables	(186.84)		352.45	
(Decrease)/increase in Financial Liabilities	751.09		777.90	
(Decrease)/increase in Other Liabilities	175.13		286.23	
		(343.26)		**(724.67)**
Cash generated from /used in operations		1,444.49		510.26
Income taxes refund / (paid), net		(1,105.29)		(125.99)
Net cash generated from / used in operating activities		339.20		384.28
Cash flows from investing activities				
Purchase of property, plant and equipment and CWIP	(119.79)		(980.23)	
Proceeds from sale of property, plant and equipment	3.70		24.22	
Investment in Mutual Funds	60.84		(509.39)	
Investment in Shares of Wholly Owned Subsidiary	(11.76)		-	
Interest Received	128.37		252.86	
Net cash generated from investing activities		**61.34**		**(1,212.54)**
Cash flows from financing activities				
Proceeds from issue of equity shares	-		6.67	
Net Proceeds from long-term borrowings	(97.94)		332.96	
Net Proceeds from short -term borrowings	89.52		1,370.06	
Dividend paid during the year	(296.21)		(295.68)	
Interest paid during the year	(287.97)		(306.93)	
Net cash used in financing activities		(592.61)		1,107.09
Net increase / decrease in cash and cash equivalents		(192.06)		278.83
Cash and cash equivalents at the beginning of the period		322.88		44.05
Cash and cash equivalents at the end of the period		130.81		322.88
		(192.06)		**278.83**

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

Statement of Significant Accounting policies and Other Explanatory Notes

(A) Corporate Information

Aarvi Encon Limited (the "Company") is a Human Resource Services Company incorporated as Aarvi Encon Private Limited on 03 December 1987 and the registered office is located at 603, B1 Wing, Marathon Innova, Marathon Nextgen Complex, Lower Parel (W) Mumbai 400013.

(B) Significant Accounting Policies

I) Basis of Preparation

The Company is listed on the Main Board of National Stock Exchange of India Ltd w.e.f. 24th June, 2020: The Company has completed the migration of its shares from National Stock Exchange (NSE) Emerge (SME segment) platform to the Main Board of National Stock Exchange of India Ltd w.e.f. 24th June, 2020.

These financial statements are Separate Financial Statements as per Ind AS 27 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

II) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

III) Summary of significant accounting policies

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

(a) Current and non-current classification

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

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is 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 normal operating cycle or

- It is held primarily for the purpose of trading or
- 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Property, Plant and Equipment

i) Property, plant and equipment (PPE) are measured at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of PPE includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of those PPE.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the year the asset is derecognized."

ii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss as incurred.

iii) The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year.

iv) Depreciation on all assets of the Company is charged on written down method over the useful life of assets mentioned in Schedule II to the Companies Act, 2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.

v) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and the cost of property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.

c) Intangible Assets

i) Intangible assets are recorded at the consideration paid for cost of acquisition or development less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.

ii) Intangible assets under development are capitalized only if the Company is able to establish control over such assets and expects future economic benefit will flow to the Company.

iii) Intangible assets are amortised over their estimated useful life, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

d) Borrowings

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

e) Impairment of Assets

Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

g) Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

h) 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.

i) Financial Instruments

(i) Financial Assets & Financial Liabilities

Initial recognition and measurement

All financial assets and liabilities are recognised initially at fair value.

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

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

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

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Explanatory Notes details how the entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables."

Derecognition of financial instruments

A financial asset is derecognised only when

* The Company has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(ii) Investments in associates

Investments in associates are carried at cost in the Separate Financial Statements.

j) Revenue Recognition

i) Revenue is recognised 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 credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Manpower Services

Revenue from manpower services is accounted at a point in time on accrual basis on performance of the services agreed in the contract with the customers.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the

Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

Dividends

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

k) Taxes

Tax expenses comprise Current Tax and Deferred Tax.:

i) Current Tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred Tax:

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

iii) Minimum Alternate Tax (MAT) Credit:

The Company has opted for income tax under Section 115BAA of the Income tax act, 1961. As per provisions of the Act, the domestic companies opting for section 115BAA will not be able to claim MAT credits for taxes paid under MAT during the tax holiday period. The companies would not be able to reduce their tax liabilities under section 115BAA by claiming MAT credits. Therefore, the Company has reversed all the MAT credit during the year 2020-21.

l) Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI 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.

m) Dividend Distribution

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

n) Foreign exchange transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss.

o) Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees."

Post-employment benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan where the company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii. Defined benefit plans -Gratuity

In accordance with the applicable Indian laws, the Company provides for gratuity, defined benefit retirement plan ("the Gratuity plan") covering eligible employees. The Gratuity plan provides a lump-sum payment to eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Current service cost and the interest cost on obligation related to defined benefit plans are recognised in the statement of profit or loss.

p) Share based payments

Equity settled share-based payment transactions:

The Company operates equity settled share-based remuneration plans for its employees. All services received in exchange for the grant of any share-based payment are measured at their fair values on the grant date and is recognised as an employee expense, in the profit or loss with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "Employee stock options / Employee stock appreciation rights".

The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest.

Grant date is the date when the Company and employees have shared an understanding of terms and conditions on the arrangement.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth). All share-based remuneration is ultimately recognised as an expense in the profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period. The number of vested options ultimately exercised by holder does not impact the expense recorded in any period. Market conditions are taken into account when estimating the fair value of the equity instruments granted. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

q) Leases

The following is the summary of the new and/or revised significant accounting policies related to Leases. The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

1 Property, Plant and Equipment

Details of Additions, Adjustments, Depreciation and Net Block Asset Class Wise-2025-26

Tangible Assets

Particulars	Office Premises	Plant & Machinery	Electrical Installation	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Total
Cost								
As at 31st March 2024	**1,133.25**	**126.10**	**38.77**	**89.35**	**107.43**	**113.11**	**142.74**	**1,750.79**
Additions	799.50	-	0.50	59.51	39.85	28.27	52.59	980.22
Disposals/Adjustments	-	48.42	-	5.60	4.00	-	32.79	90.81
As at 31st March 2025	**1,932.75**	**77.68**	**39.27**	**143.26**	**143.28**	**141.38**	**162.54**	**2,640.19**
Additions	-	4.91	-	0.07	25.08	55.24	19.10	104.40
Disposals/Adjustments	-	-	1.74	19.98	4.76	-	43.50	69.98
As at 31st March 2026	**1,932.75**	**82.59**	**37.53**	**123.35**	**163.60**	**196.62**	**138.14**	**2,674.61**
Depreciation								
As at 31st March 2024	**389.02**	**88.62**	**34.67**	**66.67**	**79.08**	**88.13**	**104.34**	**850.53**
Charge for the Year	54.64	5.86	0.75	12.39	18.95	30.07	24.50	147.18
Disposals	-	33.30	-	4.85	3.54	-	30.83	72.52
As at 31st March 2025	**443.66**	**61.18**	**35.42**	**74.21**	**94.49**	**118.20**	**98.01**	**925.17**
Charge for the Year	72.51	3.81	0.49	15.58	24.24	29.10	23.76	169.49
Disposals	-	-	1.16	11.81	4.23	-	41.16	58.36
As at 31st March 2026	**516.17**	**64.99**	**34.75**	**77.98**	**114.50**	**147.30**	**80.61**	**1,036.30**
Net Block								
As at 31st March 2026	1,416.58	17.60	2.78	45.37	49.09	49.33	57.54	1,638.32
As at 31st March 2025	**1,489.09**	**16.50**	**3.85**	**69.05**	**48.78**	**23.19**	**64.54**	**1,715.03**

2 Intangible Asset

Particular	Software
Cost	
As at 31st March 2024	**58.88**
Additions	
Disposals/Adjustments	-
As at 31st March 2025	**58.88**
Additions	-
Disposals/Adjustments	-
As at 31st March 2026	**58.88**
As at 31st March 2024	**21.72**
Charge for the Year	9.29
Disposals	-
As at 31st March 2025	**31.01**
Charge for the Year	6.97
Disposals	-
As at 31st March 2026	**37.98**
Net Block	
As at 31st March 2026	**20.90**
As at 31st March 2025	**27.87**

(All figures are in Lakhs unless otherwise stated)

2.1 Intangible Asset Under Development

Period	Software under Development
As at 1st April, 2024	**-**
For the year	-
Expensed Out	-
Capitalised	-
As at March 31, 2025	**-**
For the year	15.39
Expensed Out	-
Capitalised	-
As at 31st March 2026	**15.39**

Intangible Asset Under Development ageing schedule as at 31st March 2026

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	15.39	-	-	-	15.39
Project temporarily suspended	-	-	-	-	-

Intangible Asset Under Development ageing schedule as at 31st March 2025

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Project in progress	-	-	-	-	-
Project temporarily suspended	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

3 Financial Assets

			As at		As at	
			March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
			Non- Current		Current	
3.1	A	**Investments in equity instruments - carried at cost**				
		Investments in Subsidiaries	111.69	99.92	-	-
	B	**Investments in mutual funds (quoted)**	-	-	448.55	509.39
		(Carried at fair value through profit or loss)				
		Total	**111.69**	**99.92**	**448.55**	**509.39**

I Details of Investments

	Particulars	March 31, 2026		March 31, 2025	
		Nos	Amount	Nos	Amount
A	**Unquoted**				
	(Fully paid-up unless otherwise stated)				
	In Wholly Owned Subsidiaries				
	(Carried at cost)				
	Equity shares of Aarvi Engineering & Consultants Private Limited of ₹ 100 each	20,000	40.12	20,000	40.12
	Equity share of Aarvi Encon FZE of UAE Dirham 150000 each	1	27.23	1	27.23
	Equity shares of Aarvi Encon Resources Limited, UK of GBP 1 each	100	10.52	100	10.52
	Equity shares of Aarvi Encon Staffing Services W.L.L - Qatar of Qatari Riyals 1000 each	98	22.06	98	22.06
	Equity shares of Aarvi Energy Company, Saudi, 1000 Shares of 50 SAR each	1,000	11.76	-	-
	Total		**111.69**		**99.92**
B	**Quoted (At FVTPL)**				
	Investments in mutual funds				
	HDFC Arbitrage Wholesale-G	-	-	337,615.60	101.83
	HDFC Liquid Plan - Growth	1,123.26	60.08	-	-
	ICICI Prudential Equity Arbitrage Fund - Growth	209,426.67	75.06	603,583.1	203.76
	ICICI Prudential Liquid Fund - Growth	17,370.66	70.08	-	-
	Kotak Equity Arbitrage Regular - Growth	442,495.28	173.24	552,563.9	203.80
	Kotak Liquid Fund Regular - Growth	1,272.37	70.09	-	-
	Total		**448.55**		**509.39**
	Aggregate book value of quoted investments		**448.55**		**509.39**
	Aggregate market value of quoted investments		**448.55**		**509.39**
	Aggregate amount of impairment in value of investments		**-**		**-**

(All figures are in Lakhs unless otherwise stated)

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
3.2	**Trade Receivables**				
	(Unsecured at Amortised Cost)				
i)	Considered good	-	-	8,198.23	9,778.59
ii)	Considered doubtful	-	-	93.93	93.93
	Less : Expected credit Loss	-	-	(188.54)	(237.28)
		-	-	8,103.62	9,635.24

A Expected Credit Loss:

Trade receivables and unbilled revenue are unsecured and are derived from revenue earned from customers primarily located in India. Periodically, the Company evaluates all customer dues to the Company for collectability. The need for impairment is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customers operates, general economic factors, which could affect the customer's ability to settle. More than 95% of the Company's customers have been transacting with the Company for over five years and none of these customers' balance are credit impaired. An impairment analysis is performed at each reporting date on invoice wise receivable balances. The Life time credit loss write off during the year arises more out of the disputes or charges rather than credit impairment.

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

Movement in the expected credit loss allowance

Particulars	March 31, 2026	March 31, 2025
Balance at the beginning of the year	237.28	313.74
Impairment loss recognised	85.49	69.61
Amount written off during the year	(134.23)	(146.07)
Provision at the end of the period	188.54	237.28

Ageing of Trade receivables as at 31st March 2026

Particulars	Unbilled/ Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables							
- considered good	618.78	6,437.36	615.81	150.56	218.63	157.08	8,198.23
- considered doubtful	-	-	-	-	-	-	-
ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	93.93	93.93
	618.78	**6,437.36**	**615.81**	**150.56**	**218.63**	**251.01**	**8,292.16**
Less : Expected credit Loss							188.54
							8,103.62

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Ageing of Trade receivables as at 31st March 2025

Particulars	Unbilled/ Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivables							
- considered good	7,825.27	1,130.15	307.83	284.06	223.33	7.95	9,778.59
- considered doubtful	-	-	-	-	-	-	-
ii) Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	93.93	93.93
	7,825.27	**1,130.15**	**307.83**	**284.06**	**223.33**	**101.88**	**9,872.52**
Less : Expected credit Loss							237.28
							9,635.24

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
3.3	**Loans and Advances**				
	(Unsecured Considered goods)				
i)	Rent Deposits	-	-	80.26	36.59
ii)	Earnest Money Deposits	123.77	137.83	-	-
iii)	Other Security Deposits	2.04	2.04	-	-
iv)	Loans to Related Parties	591.23	467.53	-	-
		717.04	607.40	80.26	36.59

a) The break-up of Loans granted by the Company to related parties is as under :

Company Name	As at March 31, 2026	As at March 31, 2025
Considered Good		
Aarvi Encon FZE	**-**	164.04
Aarvi Encon Resources Ltd	**119.58**	97.75
Aarvi Encon Staffing Services - Qatar	**471.65**	205.74
	591.23	467.53
The Company has granted loan for Business purposes to its wholly owned subsidiary and interest at the rate of 10.50% is charged on the loan.		
b) Investment by the loanee in the shares of the Company:		
None of the loanees have, per se , made investments in the shares of the Company.	-	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
3.4	**Cash and Bank Balances**				
A	**Cash and cash equivalents**				
i)	Balances with banks	-	-	128.45	321.63
ii)	Cash on hand	-	-	2.37	1.25
		-	-	130.81	322.88
B	**Other Bank Balances**				
i)	Term Deposits with Banks (*)	-	-	315.23	276.96
	Total	**-**	**-**	**315.23**	**276.96**

(*) These are lien and/or pledged against short term credit facilities with banks

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
3.5	**Others**				
	Unsecured Considered Good				
i)	Contract Asset				
	- Security Deposit and Retentions	498.42	367.35	-	-
	- Unbilled Revenue	-	-	4,197.61	2,368.22
ii)	Reimbursement Right for Gratuity-Contract Staff	661.74	388.91	227.57	6.68
iii)	Interest Accrued On Deposits	-	-	3.06	33.05
iv)	Term Deposits with Banks	1,090.17	1,252.14	-	-
v)	Other Receivables	-	-	140.40	100.72
		2,250.33	2,008.40	4,568.64	2,508.67

4 Other Assets

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
i)	Capital Advances	59.85	59.85	-	-
ii)	Prepaid Expenses	-	-	179.84	153.56
iii)	Prepaid Taxes (Net of Provision of Tax)	1,803.59	866.47	-	-
iv)	Advance to suppliers	-	-	13.63	4.36
v)	Balances with Tax Authorities	-	-	19.43	19.35
vi)	Staff Advances	-	-	85.40	85.73
vii)	Prepaid Gratuity	-	-	-	-
	Total	**1,863.44**	**926.31**	**298.30**	**262.99**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

5 Equity Share capital

		As at	
		March 31, 2026	**March 31, 2025**
i)	**Authorised shares :**		
	March 31, 2026: 2,00,00,000 Equity shares of ₹ 10/- each March 31, 2025: 2,00,00,000 Equity shares of ₹ 10/- each	2,000.00	2,000.00
	Total	**2,000.00**	**2,000.00**
ii)	**Issued and subscribed and Paid-up shares :**		
	March 31, 2026: 1,48,10,700 Equity shares of ₹ 10/- each March 31, 2025: 1,48,10,700 Equity Shares of ₹ 10/- each	1,481.07	1,481.07
	Total	**1,481.07**	**1,481.07**
	Total paid-up share capital	**1,481.07**	**1,481.07**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at			
	March 31, 2026	**March 31, 2026**	**March 31, 2025**	**March 31, 2025**
	Number	**Amount**	**Number**	**Amount**
Balance, beginning of the year	14,810,700	1,481.07	14,784,000	1,478.40
Issued during the year	-	-	26,700.00	2.67
Balance, end of the year	**14,810,700**	**1,481.07**	**14,810,700**	**1,481.07**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The shareholders are entitled to dividend in the proportion of their shareholding. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	As at			
	March 31, 2026		**March 31, 2025**	
	Number	**%**	**Number**	**%**
Equity Shares				
Mr. Virendra Dalpatram Sanghavi	7,595,000	51.28%	7,595,000	51.28%
Mr. Jaydev Virendra Sanghavi	2,182,500	14.74%	2,182,500	14.74%
	9,777,500	**66.02%**	**9,777,500**	**66.02%**

d) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

e) Shares held by Promoters

Promoter Name	**As at 31 March 2026**		**As at 31 March 2025**		**% of change during the year**
	No of Shares	**%of total Shares**	**No of Shares**	**%of total Shares**	
Mr. Virendra Dalpatram Sanghavi	7,595,000	51.28%	7,595,000	51.28%	0.00%
Mr. Jaydev Virendra Sanghavi	2,182,500	14.74%	2,182,500	14.74%	0.00%
Ms. Naini Kulkarni	651,000	4.40%	651,000	4.40%	0.00%
Mr. Aditya Sanghavi	162,750	1.10%	162,750	1.10%	0.00%
Ms. Ami Sanghavi	271,250	1.83%	271,250	1.83%	0.00%
Ms. Nirali Sanghavi	27,192	0.18%	19,262	0.13%	0.05%
Total	**10,889,692**	**73.53%**	**10,881,762**	**73.47%**	**0.05%**

(All figures are in Lakhs unless otherwise stated)

6 Other Equity

		As at	
		March 31, 2026	**March 31, 2025**
i)	Retained Earnings	7,715.84	6,911.75
ii)	Securities Premium Account	1,531.58	1,531.58
iii)	General Reserve	690.46	690.46
iv)	Employee Stock Options	151.19	93.95
		10,089.08	**9,227.74**

7 Financial Liabilities (at amortized cost)

	As at		As at	
	March 31, 2026	**March 31, 2025**	**March 31, 2026**	**March 31, 2025**
	Non- Current		**Current**	
7.1 Long term borrowings				
(i) Loan from Financial Institutions				
Term Loan against property	235.02	332.96	98.55	90.28
	235.02	**332.96**	**98.55**	**90.28**
The break-up of above:				
Secured	235.02	332.96	98.55	90.28
Unsecured	-	-	-	-

Security for loans and Terms of payment

The above loan is secured against Property 3rd Floor, Mahavir Sarvoday Plaza, Opp. Dombivali Station, Dombivali West - 421 202. The rate of interest is 8.80%. The term of loan is 60 months. The Equated Monthly Instalment (EMI) for the same is ₹ 10.77 lakhs.

Maturity Profile of Borrowings	As at	
	March 31, 2026	**March 31, 2025**
Instalment payable within one year	98.55	90.28
Instalment payable between 2 to 5 years	235.02	332.96
Instalment payable beyond 5 years	-	-
Total	**333.57**	**423.24**

		As at	
		March 31, 2026	**March 31, 2025**
7.2	**Short Term Borrowings (at amortised cost)**		
	(Secured)		
	Cash Credit Facility	136.13	1,054.88
	Working Capital Loan from HSBC Bank	700.00	-
	Working Capital Loan from Yes Bank	1,500.00	1,200.00
	Current Maturities of Long term Borrowings (refer Note 7.1)	98.55	90.28
	Total	**2,434.68**	**2,345.16**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Breakup of Cash Credit Facilities	As at	
	March 31, 2026	March 31, 2025
HSBC Bank Limited	78.51	928.60
Yes Bank Limited	57.62	126.28
Total	**136.13**	**1,054.88**

Security for loans and Terms of payment

In respect of Cash Credit, working capital demand loan and Bank guarantees from HSBC Bank Limited

a. Pari Passu charge on Current Assets and Fixed Assets.

b. Exclusive Charge over Property situated at Office no. 901, 9th floor, B2, Marathon Nextgen Innova, Lower Parel, Mumbai 400013.

c. Personal Guarantee from Mr. Jaydev Sanghavi and Mr. Virendra Sanghavi

d. 15% Deposits under lien

e. 100% Deposit Under Lien open ended BG

In respect of Cash Credit, working capital demand loan and Bank guarantees from Yes Bank Limited

a. Pari Passu charge with HDFC Bank and HSBC on Current Assets and movable Fixed Assets.

b. Equitable mortgage of commercial properties located at Shah & Nahar Industrial Estate, Lower Parel (Mumbai) and Marathon Nextgen Realty Limited, Lower Parel (Mumbai).

c. Unconditional and Irrevocable Personal guarantees of Mr Jaydev Sanghavi, Mr Virendra Sanghavi.

e. ₹ 73.50 lakhs in the form of fixed deposit receipt placed under bank lien.

In respect of Cash Credit, working capital demand loan and Bank guarantees from HDFC Bank Limited

a. First charge on Pari Passu basis with HSBC and Yes Bank by the way of Hypothecation on all present and future book debts of the Company.

b. Fixed Deposit of ₹ 383.55 lakhs under lien

c. Exclusive charge on Flat No 11 & 11A, Building O, 4th Floor, Konark Campus Co-operative Housing Society, Lohegaon Village, Taluka Haveli, Pune.

		As at	
		March 31, 2026	March 31, 2025
7.3	**Trade Payables (at amortised cost)**		
i)	Trade payables - Micro, Small and Medium Enterprises	229.64	130.80
ii)	Trade payables - Others	445.68	731.36
	Total	**675.32**	**862.16**

a) Amounts due to Micro, Small and Medium Enterprises

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

Trade Payables aging schedule as at 31st March 2026

Particulars	Less then 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade Payables					
MSME	218.39	10.85	0.34	0.05	229.64
Others	421.71	17.47	4.26	2.24	445.68
ii) Disputed Trade Payables					
MSME	-	-	-	-	-
Others	-	-	-	-	-
Total	**640.10**	**28.32**	**4.60**	**2.30**	**675.32**

(All figures are in Lakhs unless otherwise stated)

Trade Payables aging schedule as at 31st March 2025

Particulars		Less then 1 year	1-2 years	2-3 years	More than 3 years	Total
i)	**Undisputed Trade Payables**					
	MSME	130.27	0.48	0.05	-	130.80
	Others	716.67	13.78	0.71	0.20	731.36
ii)	**Disputed Trade Payables**					
	MSME	-	-	-	-	-
	Others	-	-	-	-	-
	Total	**846.94**	**14.26**	**0.76**	**0.20**	**862.16**

Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

			As at	
			March 31, 2026	March 31, 2025
A.	(i)	Principal amount remaining unpaid	215.39	130.80
A.	(ii)	Interest amount remaining unpaid	14.25	8.99
B.		Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
C.		Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	0.11	1.32
D.		Interest accrued and remaining unpaid	14.14	7.68
E.		Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

			As at		As at	
			March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
			Non- Current		Current	
7.4	**Other Financial Liabilities (At Amortised Cost)**					
	i)	Current Maturities of Long term Borrowings (refer Note 7.1)	-	-	-	-
	i)	Advance from Customers	-	-	-	-
	ii)	Employee Liabilities	-	-	3,105.71	2,853.18
	iii)	Employee Benefit Liability-Contract Staff	661.74	388.91	227.57	6.68
	iv)	Others	-	-	24.08	19.24
			661.74	**388.91**	**3,357.36**	**2,879.10**

8 Deferred Tax Liability

			As at	
			March 31, 2026	March 31, 2025
a)	**Deferred Tax Liability on account of :**			
	Depreciation due to timing difference		87.06	63.97
	Valuation of Financial Assets at FVTPL		4.79	-
b)	**Deferred Tax Asset on account of :**			
		DIsallowance due to Non-deduction of TDS	0.30	0.30
		Employee Benefits	70.19	34.89
	ii)	Right of Use Asset	-	
			21.36	**28.78**

(All figures are in Lakhs unless otherwise stated)

9 Other Liabilities

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
i)	Duties and Taxes payable	-	-	1,318.85	1,306.22
il)	Security Deposit	12.00	12.00	-	-
	Total	**12.00**	**12.00**	**1,318.85**	**1,306.22**

10 Provisions

		As at		As at	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		Non- Current		Current	
i)	**Provision for Employee Benefits**				
	Provision for Gratuity	-	-	276.04	73.55
		-	**-**	**276.04**	**73.55**

a) Disclosure in accordance with Ind AS – 19 “Employee Benefits”, of the Companies (Indian Accounting Standards) Rules, 2015.

The company has carried out the actuarial valuation of Gratuity liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to ₹ 20 lakhs. The Company’s gratuity liability is Funded.

i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of Gratuity over the year is as follow:

	Particulars	Core Staff		Contrat Staff		Total	
		As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025
(a)	**Reconciliation of opening and closing balances of Defined benefit Obligation**						
	Defined Benefit obligation at the beginning of the year	190.12	155.03	47.78	58.84	237.91	213.87
	Current Service Cost	21.84	18.29	20.47	27.07	42.32	45.36
	Interest Cost	11.54	10.25	2.93	3.90	14.46	14.15
	Actuarial (Gain) /Loss-Other Comprehensive Income	2.36	7.91	186.29	(0.10)	188.65	7.81
	Benefits paid	(3.80)	(1.36)	(5.69)	(41.92)	(9.49)	(43.28)
		-	-		-	-	-
	Defined Benefit obligation at the year end	222.06	190.12	251.78	47.78	473.84	237.91
(b)	**Reconciliation of opening and closing balances of fair value of plan assets**						
	Fair Value of plan assets at the beginning of the year	164.36	118.59	-	-	164.36	118.59

(All figures are in Lakhs unless otherwise stated)

Particulars		Core Staff		Contrat Staff		Total	
		As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025
	Adjustment to the Opening fund		-	-	-	-	-
	Expected return on Plan Assets	0.92	2.40	-	-	0.92	2.40
	Interest Income	10.57	8.29	-	-	10.57	8.29
	Employer Contribution	25.77	36.44	-	-	25.77	36.44
	Benefits Paid	(3.80)	(1.36)	-	-	(3.80)	(1.36)
	Fair Value of Plan Assets at the year end						
	Actual Return on Plan Assets	197.81	164.36	-	-	197.81	164.36
(c)	**Reconciliation of fair value of assets and obligations**						
	Fair Value of Plan Assets	197.81	164.36	-	-	197.81	164.36
	Present value of Defined Benefit obligation	222.06	190.12	251.78	47.78	473.84	237.91
	Liability recognized in Balance Sheet	24.25	25.77	251.78	47.78	276.03	73.56
(d)	**Expenses recognized during the year (Under the head "Employees Benefit Expenses")**						
	Current Service Cost	21.84	18.29	20.47	27.07	42.32	45.36
	Past service cost and loss/(gain) on curtailments and settlement	26.83	-	120.92	-	147.75	-
	Net Interest Cost	0.97	1.96	2.93	3.90	3.90	5.86
	Total included in 'Employee Benefit Expense'	49.65	20.26	144.32	30.96	193.97	51.22
(e)	**Actuarial (Gain)/Loss- Other Comprehensive Income**						
	Components of actuarial gain/losses on obligations:				-	-	-
	Due to Change in financial assumptions	(9.49)	7.57	0.15	0.80	(9.34)	8.37
	Due to change in demographic assumption	(11.08)	-	-	-	(11.08)	-
	Return on plan assets excluding amounts included in interest income	(0.92)	(2.40)	-	-	(0.92)	(2.40)
	Due to experience adjustments	(3.90)	0.34	65.22	(0.90)	61.32	(0.55)
	Amounts recognized in Other Comprehensive (Income) / Expense	(25.39)	5.51	65.37	(0.10)	39.98	5.41
(f)	**Net liabilities(Asset) recognised in the balance sheet**						
	Long-term provisions	-	3.93	251.78	47.78	251.78	51.71
	Short-term provisions/(Loans and Advances)	24.25	21.84		-	24.25	21.84
		24.25	**25.77**	**251.78**	**47.78**	**276.04**	**73.55**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

ii) Actuarial Assumptions

Particulars	Core Staff		Contract Staff	
	As on March 31, 2026	As on March 31, 2025	As on March 31, 2026	As on March 31, 2025
Discount rate (per annum)	7.15%	6.55%	6.50%	6.55%
Rate of escalation in salary (per annum)	7.00%	7.00%	7.00%	7.00%
Attrition Rate				
Younger Age	95%	95%	50%	50%
Older Age	5%	5%	50%	50%
Rate of return on plan assets (per annum)	7.15%	6.55%	-	-

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan. Since the liabilities are un funded there is no asset liability matching strategy devised for the plan.

iii) Sensitivity analysis

A quantitative Sensitivity analysis for significant assumption

Particulars	Discount Rate	Salary Growth Rate	Attrition Rate
Changes in Assumption			
March 31, 2026	0.50%	0.50%	10.00%
March 31, 2025	0.50%	0.50%	10.00%
Increase in assumption			
March 31, 2026	(464.95)	480.52	481.51
March 31, 2025	(231.36)	243.42	230.91
Decrease in assumption			
March 31, 2026	483.26	(467.19)	(468.45)
March 31, 2025	244.84	(232.61)	(246.19)

(iv) Actuarial Risk:

A Actuarial Risk

It is the risk that benefits will cost more than expected.This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

B Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

(All figures are in Lakhs unless otherwise stated)

C Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/ regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

11 Current Tax Liabilities (Net)

		As at	
		March 31, 2026	March 31, 2025
a)	Provision for Tax (Net of Taxes Paid)	-	-
		-	**-**

12 Revenue from Operations

		Year Ended March 2026	Year Ended March 2025
i)	Revenue from Manpower Services		
	Supply of Manpower and Consultancy Fees	56,401.77	45,776.88
ii)	Other Operating Revenue	590.50	631.22
		56,992.27	**46,408.10**

I Disclosure in accordance with Ind AS - 115 "Revenue Recognition Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

a) Revenue disaggregation based on Service Type and Customer type:

(i) Revenue disaggregation by type of Service is as follows:

Major Service Type	**2025-26**	**2024-25**
Manpower Supply and Consultancy Fees	56,401.77	45,776.88
Reimbursement Income for Services Provided	590.50	631.22
	56,992.27	**46,408.10**

(ii) Revenue disaggregation by Customer Type is as follows:

Customer Type	**2025-26**	**2024-25**
Government Companies	8,168.41	9,510.77
Non Government Companies	48,823.85	36,897.33
	56,992.27	**46,408.10**

(iii) Movement in Contract Balances

Particulars	**Opening**	**Billed for the Financial Year**	**Addition during the year**	**Closing**
Advance from Customers				
March 2026	-	-	-	-
March 2025	-	-	-	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Particulars	Opening	Billed/ Reversed for the Financial Year	Addition during the year	Closing
Unbilled Revenue				
March 2026	2,368.22	2,368.22	4,197.61	4,197.61
March 2025	1,893.00	1,893.00	2,368.22	2,368.22

(iv) Performance Obligation

Performance obligation is satisfied on rendering of services and as agreed in the contract with the customers. The payment is generally due within 0-30 days.

13 Other Income

		Year Ended March 2026	Year Ended March 2025
i)	Interest Income on Fixed Deposits	81.87	148.82
ii)	Interest Income on Loans and Advances	46.50	104.03
iii)	Profit on Sale of Property, Plant and Equipment	-	5.93
iv)	Sundry Balance/Provision written Back	-	1.30
v)	Foreign Exchange Gain	60.33	9.50
vi)	Miscellaneous Income	97.75	34.60
		286.45	**304.19**

14 Employee Benefit Expenses

		Year Ended March 2026	Year Ended March 2025
i)	Salaries & Wages, Bonus, Perquisites, etc	41,406.04	32,800.60
ii)	Contribution to Provident, Gratuity funds	1,791.10	1,428.56
iii)	Share based payments expense (Refer note no. 31)	57.24	100.85
iv)	Managerial Remuneration	336.00	336.00
v)	Staff Insurance	366.26	368.45
vi)	Staff Welfare	58.36	43.93
		44,015.00	**35,078.38**

15 Finance Cost

		Year Ended March 2026	Year Ended March 2025
i)	Interest Expense on Lease Liability	-	-
i)	Interest on Borrowings	278.38	292.95
ii)	Interest on Indirect Taxes	9.59	13.98
iii)	Other finance cost	-	-
		287.97	**306.93**

(All figures are in Lakhs unless otherwise stated)

16 Depreciation and Amortization

		Year Ended March 2026	Year Ended March 2025
i)	Depreciation on Property, Plant & Equipment	176.47	156.45
	Total	**176.47**	**156.45**

17 Other expenses

		Year Ended March 2026	Year Ended March 2025
	Assets Scrapped	-	-
	Auditors Remuneration	20.73	18.67
	Director's Sitting Fees	16.90	18.60
	Travelling Expenses	542.78	607.98
	Expected Credit Loss	85.49	69.61
	Site related Expenses	1,418.13	1,246.56
	Consumables purchased	212.51	198.32
	Professional Fees - Project	7,741.49	6,777.72
	Power and Fuel	25.06	26.00
	Rent	257.22	212.98
	Membership & Subscription	38.95	34.96
	Health and Safety Expenses	140.14	127.14
	Housekeeping Expenses	28.23	28.32
	Insurance Charges	6.24	1.60
	Advertisement Expenses	19.06	14.28
	Donation	0.95	4.89
	Motor Car Expenses	3.22	3.55
	Food and Accommodation Expenses	146.65	185.28
	Printing and Stationery Expenses	41.93	33.36
	Legal & Professional Charges	209.57	173.90
	Business Promotion Expenses	-	4.11
	Telephone Charges	35.20	37.33
	Bank Charges	28.47	83.73
	Corporate Social Responsibility Expenses	36.42	27.82
	Water Charges	2.08	4.48
	Repairs and Maintenance Expenses	68.06	73.83
	Office Maintenance Expenses	17.23	25.30
	Loss on disposal of Fixed Assets (net)	7.92	-
	Foreign exchange loss	-	-
	Other Expenses (None of which individually forms more than 1% of the Operating Revenue)	313.89	269.00
	Total	**11,464.52**	**10,309.35**
a)	**Payment to auditors**		
	Audit fee	15.00	12.00
	Tax Matters	3.45	3.35
	Others	2.28	3.32
	Total payments to auditors	**20.73**	**18.67**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

18 Tax Expense

		Year Ended March 2026	Year Ended March 2025
a)	Income tax expense in the statement of profit and loss consists of:		
	Current Tax	168.16	85.28
	Short/Excess Provision of Tax	-	-
	Minimum alternative tax entitlement	-	-
	Deferred Tax	(7.42)	2.41
	Income tax recognised in statement of profit or loss	160.74	87.69

b) The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

		Year Ended March 2026	Year Ended March 2025
A	**Current Tax**		
	Accounting Profit Before Income Tax	1,334.76	861.17
	Enacted tax rates in India (%)	25.168%	25.168%
	Computed expected tax expenses	335.93	216.74
	Effect of non- deductible expenses	161.49	151.42
	Effects of deductible Expenses	(329.26)	(282.88)
	Income tax expenses - Net	168.16	85.28
	Tax liability as per Minimum Alternate Tax on book profits		
	Minimum Alternate Tax rate	0.00%	0.00%
	Computed tax liability on book profits	-	-
	Tax effect on adjustments:		
	1/5 portion of Opening IND AS Reserve as on April 1, 2018	-	-
	Effect of non deductible expense	-	-
	Differential MAT Provided in Subsequent year	-	-
	Minimum Alternate Tax on Book Profit	-	-
	Higher of A or B	**168.16**	**85.28**

Note: The Company has opted for income tax under Section 115BAA of the Income tax Act, 1961. As per provisions of the Act, the domestic companies opting for section 115BAA will not be able to claim MAT credits for taxes paid under MAT during the tax holiday period. The companies would not be able to reduce their tax liabilities under section 115BAA by claiming MAT credits. Therefore, the Company has reversed all the MAT credit during the year 2020-21

B Deferred Tax

Deferred tax assets/(liabilities) in relation to:-

Particulars	Opening	Recognised in P&L	Recognised in OCI	Closing
As at April 1, 2024	**37.06**	**(10.69)**	**-**	**30.22**
Property, Plant and Equipment	48.84	15.12		63.97
Employee benefits	(22.47)	(12.72)		(35.19)
Right of Use Asset	-			-
As at March 31, 2025	**26.37**	**2.41**	**-**	**26.37**
Property, Plant and Equipment	63.97	23.10	-	87.06
Financial Assets valued at FVTPL	-	4.79		4.79
Employee benefits	(35.19)	(35.31)	-	(70.50)
Right of Use Asset	-			-
As at March 31, 2026	**28.78**	**(7.42)**	**-**	**21.36**

(All figures are in Lakhs unless otherwise stated)

19 Disclosure as required by Accounting Standard – IND AS 33 "Earning Per Share" of the Companies (Indian Accounting Standards) Rules 2015.

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	Year Ended March 2026	Year Ended March 2025
Net Profit / (Loss) as per Statement of Profit and Loss	1,140.29	773.49
Outstanding equity shares at year end - Nos	14,810,700	14,810,700
Weighted average Number of Shares outstanding during the year – Basic	14,810,700	14,788,096
Weighted average Number of Shares outstanding during the year - Diluted / Diluted (Restated)	14,942,021	14,921,254
Earnings per Share - Basic (₹)	7.70	5.23
Earnings per Share - Diluted / Diluted (Restated)(₹)	7.63	5.18

Reconciliation of weighted number of outstanding during the year:

Particulars	Year Ended March 2026	Year Ended March 2025
Nominal Value of Equity Shares (₹ per share)	10	10
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the year	14,810,700	14,784,000
Add : Issue of Equity Shares	-	26,700
Total number of equity shares outstanding at the end of the year	14,810,700	14,810,700
Weighted average number of equity shares at the end of the year	14,810,700	14,810,700
For Dilutive EPS :		
Weighted average number of shares used in calculating basic EPS	14,810,700	14,810,700
Weighted average number of equity shares used in calculating diluted EPS	14,942,021	14,921,254

20 Contingent Liabilities

Particulars	March 31, 2026	March 31, 2025
Bank Guarantees	1,269.28	1423.44
Indemnity for Surety Bond	331.10	
Total	**1,600.38**	**1,423.44**

21 Commitments

Particulars	March 31, 2026	March 31, 2025
Capital Commitments:		
Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances)	4.16	4.16
Total	**4.16**	**4.16**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

22 Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance In accordance with IND AS "Operating Segment", The Company has only one reportable operating segment i.e. Manpower Supply and Consultancy Services.

a) Major Customers

The top 1 customers account for 13% of the total revenue earned during the year ended March 31,2026 (March 31,2025:Top 1 customers accounted for 17% of the total revenue earned).

b) Information about Geographical areas

Below is the countrywise sales done during the year ended March 31, 2025

Country	2025-26	2024-25
India	56,552.08	46,195.69
Malaysia	382.86	163.07
Italy	-	52.14
UAE	22.25	-
ROMANIA	35.03	-
Total	**56,992.22**	**46,410.90**

During the year under review, the Company has been operating in the domestic and international markets, however the international turnover is merely 0.77% of the total turnover achieved thus the Segment Results in accordance with IND AS 108 on segmental reporting and Company Accounting Standards Rules, 2006 is not provided since the same is not prepared by the Company.

23 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules, 2015

Name of the related parties and related party relationships

A List of related parties

i Entities where control exists

Aarvi Engineering and Consultants Private Limited

Aarvi Encon FZE

Aarvi Encon Resources Limited, UK

Aarvi Energy Company - Saudi Arabia

Aarvi Encon Staffing Services, Qatar (Associate Entity)

PT Aarvi Encon Services, Indonesia (Step Down Subsidiary)

Aarvi Encon LLC, Oman (Step Down Subsidiary)

MNR Technical Services LLC (Step Down Subsidiary)

Aarvi Energy Company - Saudi Arabia

ii Key Management Personnel

Mr. Virendra Sanghavi, Managing Director

Mr. Jaydev Sanghavi, Executive Director & CFO

Ms Leela S. Bisht, Company Secretary & Compliance Officer

iii Entities significantly influenced or controlled by Key Management Personnel or their relatives

Energyjobz Services Private Limited

Aarvi Encon Employees Group Gratuity Fund

(All figures are in Lakhs unless otherwise stated)

iv Relatives of Key Management Personnel

Mr. Ninad Kulkarni (son in law of Managing Director)

Mrs. Naini Kulkarni, Proprietor of M/s Aarvi IT Services (daughter of Managing Director)

Mrs. Ami J. Sanghavi (wife of Executive Director)

Mr. Aditya J. Sanghavi (son of Executive Director)

Ms. Nirali J. Sanghavi (Daughter of Executive Director)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Remuneration to Key Management Personnels (KMP)*				
Mr. Virendra Sanghavi	-	168.00	-	168.00
	-	(168.00)	-	(168.00)
Mr. Jaydev Sanghavi	-	168.00	-	168.00
	-	(168.00)	-	(168.00)
Ms Leela Bisht	-	11.28	-	11.28
	-	(9.14)	-	(9.14)
Rent				
Ms. Nirali J. Sanghavi	-	-	-	-
	-	-	(4.20)	(4.20)
Salaries and wages				
Mrs. Naini N. Kulkarni	-	-	42.98	42.98
	-	-	(37.54)	(37.54)
Mrs. Ami J. Sanghavi	-	-	20.80	20.80
	-	-	(18.20)	(18.20)
Mr. Aditya Sanghavi	-	-	15.58	15.58
	-	-	-	-
Mr. Ninad Kulkarni	-	-	1.79	1.79
	-	-	(4.25)	(4.25)
Interest Income				
Aarvi Encon FZE	4.54	-	-	4.54
	(27.79)	-	-	(27.79)
Aarvi Encon Staffing Services - Qatar	31.73	-	-	31.73
	(15.61)	-	-	(15.61)
Aarvi Encon Resources Ltd - UK	9.41	-	-	9.41
	(8.55)	-	-	(8.55)
Loan Given				-
Aarvi Encon Staffing Services - Qatar	199.54	-	-	199.54
	(92.59)	-	-	(92.59)
Investment in Equity Share Capital				
Aarvi Energy Company, Saudi - Share Capital	11.76	-	-	11.76
	-	-	-	-
Reimbursement of Expenses				
Aarvi Energy Company, Saudi Arabia - Setting Up Exp	53.50	-	-	53.50
	-	-	-	-
Director sitting fees				
Mr. Devendra J Shrimanker, Independent Director	-	4.60	-	4.60
	-	(5.00)	-	(5.00)
Mrs. Sonal N Doshi, Independent Director	-	4.60	-	4.60
	-	(4.40)	-	(4.40)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Particulars	Entities where control exists	KMP	Relatives of KMP	Total
Mrs. Padma V Devarajan, Independent Director	-	3.30	-	3.30
	-	(5.00)	-	(5.00)
Mr. Ramamoorthy Ramachandran, Independent Director	-	4.05	-	4.05
	-	(4.20)	-	(4.20)
Mr. Jagat Suresh Parikh	-	0.35	-	0.35
	-	-	-	-
Dividend paid				
Mr. Virendra Sanghavi	-	151.90	-	151.90
	-	(151.90)	-	(151.90)
Mr. Jaydev Sanghavi	-	43.65	-	43.65
	-	(43.65)	-	(43.65)
Mrs. Ami Jaydev Sanghavi	-	-	5.43	5.43
	-	-	(5.43)	(5.43)
Mr. Aditya Jaydev Sanghavi	-	-	3.26	3.26
	-	-	(3.26)	(3.26)
Mrs. Naini Ninad Kulkarni	-	-	13.02	13.02
	-	-	(13.02)	(13.02)
Ms. Nirali J. Sanghavi			0.20	0.20
			(0.20)	(0.20)
Balances outstanding at the end of the year				
Loans and advances				
Aarvi Encon FZE	-	-	-	-
	(164.03)	-	-	(164.03)
Aarvi Encon Staffing Services - Qatar	471.65	-	-	471.65
	(97.75)	-	-	(97.75)
Aarvi Encon Resources Ltd - UK	119.58	-	-	119.58
	(205.74)	-	-	(205.74)
Reimbursement of Expenses				
Aarvi Encon Resources Ltd - UK	0.58			0.58
	(0.52)			(0.52)
Aarvi Encon Staffing Services - Qatar	42.35			42.35
	(38.56)			(38.56)
Aarvi Energy Company, Saudi Arabia - Setting Up Exp	59.43			59.43
	-			-
Outstanding				
Mr. Virendra Sanghavi	-	55.49	-	55.49
	-	(55.71)	-	(55.71)
Mr. Jaydev Sanghavi	-	80.83	-	80.83
	-	(80.80)	-	(80.80)
Mrs. Naini N. Kulkarni	-	-	2.41	2.41
	-	-	(2.10)	(2.10)
Mrs. Ami J. Sanghavi	-	-	1.40	1.40
	-	-	(1.17)	(1.17)
Ms Nirali J. Sanghavi	-	-	-	-
	-	-	(0.32)	(0.32)
Mr. Aditya J. Sanghavi			1.18	1.18
			-	-
Mr. Ninad Kulkarni	-	-	0.13	0.13
	-	-	(0.49)	(0.49)

(All figures are in Lakhs unless otherwise stated)

Figures above do not include IND AS Adjustments

For KMP, Reimbursement of Expenses is not reported above.

(Previous years figures are in bracket)

* Expenses towards gratuity and compensated absences has not been considered in above information as a separate actuarial valuation is not available. Remuneration reported pertains to the amount paid including variable pay of previous year but does not include provisions towards variable pay, share based payment expenses as per Ind AS 102 etc.

All transactions with these related parties are priced on an arm's length basis. None of the balance is secured.

24 Corporate Social Responsibility

For 2025-26

a Gross amount required to be spent by the Company during the year : ₹ 26.12 Lakhs

b Excess amount spent for the Financial Year 24-25 (Amount Allowed to be set off against CSR Expenditure of the Current Year) : ₹ 1.34 Lakhs

c Amount to be spent in F.Y. 2025-26 : ₹ 24.78 Lakhs

d Actual Amount spent by the Company during the year is as follows ;

Activity	Paid in Cash	Yet to be Paid in Cash	Total
1. Promoting Education 2. Ensuring Environmental Sustainability. 3. Promoting Healthcare including Preventive Care	36.42	-	36.42
Total	**36.42**	**-**	**36.42**

For 2024-25

a Gross amount required to be spent by the Company during the year : ₹ 27.98 Lakhs

b Excess amount spent for the Financial Year 23-24 (Amount Allowed to be set off against CSR Expenditure of the Current Year) : ₹ 1.50 Lakhs

c Amount to be spent in F.Y. 2024-25 : ₹ 26.48 Lakhs

d Actual Amount spent by the Company during the year is as follows ;

Activity	Paid in Cash	Yet to be Paid in Cash	Total
1. Eradicating hunger, poverty and malnutrition, ["promoting health care including preventive health care"] and promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. 2. Rural development projects, Disaster management, including relief, rehabilitation and reconstruction activities. 3. Contribution to the prime minister's national relief fund or any other fund set up by the central govt. or state govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	27.82	-	27.82
	-	-	-
Total	**27.82**	**-**	**27.82**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

25 Derivative Instruments and Unhedged Foreign Currency Exposure

(i) There are no derivative instruments outstanding as at March 31, 2026 and March 31, 2025

(ii) Unhedged foreign currency exposure towards receivables outstanding as at March 31, 2026 and March 31, 2025 is as under:

Particulars	As at			
	March 31,2026		March 31,2025	
	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables				
a) USD	0.68	63.41	2.48	212.35
b) AED	-	-	7.04	164.03
c) GBP	0.97	120.16	0.88	97.74
d) QAR	18.29	471.65	8.76	205.74
e) SAR	2.37	59.43	-	-

26 Significant accounting judgements, estimates and assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures 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 .

Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

27 Financial Instruments

i) The carrying value and fair value of financial instruments by categories as at March 31, 2026 and March 31, 2025 is as follows:

	Carrying Value		Fair Value		Fair Value Hierarchy	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
a) Financial Assets						
Amortised Cost						
Investment in Subsidiaries	111.69	99.92	111.69	99.92	Level 3	Level 3
Trade Receivable	8,103.62	9,635.24	8,103.62	9,635.24	Level 3	Level 3
Loans and Advances	797.29	643.98	797.29	643.98	Level 3	Level 3
Cash and cash equivalents	130.81	322.88	130.81	322.88	Level 3	Level 3
Other Bank balances	315.23	276.96	315.23	276.96	Level 3	Level 3
Other	6,818.97	4,517.07	6,818.97	4,517.07	Level 3	Level 3
Total Financial Assets	**16,277.60**	**15,496.05**	**16,277.60**	**15,496.05**		

(All figures are in Lakhs unless otherwise stated)

		Carrying Value		Fair Value		Fair Value Hierarchy	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
b)	**Financial Liabilities**						
	Amortised Cost						
	Borrowings	2,669.70	2,678.12	2,669.70	2,678.12	Level 3	Level 3
	Lease Liability	-	-	-	-	Level 3	Level 3
	Trade payables	675.32	862.16	675.32	862.16	Level 3	Level 3
	Others	4,019.10	3,268.01	4,019.10	3,268.01	Level 3	Level 3
	Total Financial Liabilities	**7,364.13**	**6,808.29**	**7,364.13**	**6,808.29**		

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

28 Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2025 and March 31, 2026.

Particulars	Date of Valuation	Fair Value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobserv-able inputs (Level 3)
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-26	448.55	-	-
Total financial assets		448.55	-	-
Financial assets measured at fair value				
Mutual funds - Growth plan	31-Mar-25	509.39	-	-
Total financial assets		**509.39**	**-**	**-**

29 Financial risk factors

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables, investments and other financial instruments.

(All figures are in Lakhs unless otherwise stated)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities.

(c) 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 two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risks include trade receivable and trade payable.

i. Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.

ii. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company does not have significant foreign currency exposure and hence is not exposed to any significant foreign currency risks.

The Working Capital Position of the Company is given below:

	March 31, 2026	March 31, 2025
Current Assets		
Investment in Mutual Funds	448.55	509.39
Trade receivable	8,103.62	9,635.24
Cash and Cash Equivalent	130.81	322.88
Bank Balance	315.23	276.96
Loans and Advances	80.26	36.59
Other Financial Asset	4,568.64	2,508.67
Other Current Assets	298.30	262.99
Total	**13,945.41**	**13,552.71**
Less:		
Current Liabilities		
Borrowings	2,434.68	2,345.16
Trade Payables	675.32	862.16
Others	4,952.25	4,258.87
Total	**8,062.25**	**7,466.19**
Net Working Capital	**5,883.16**	**6,086.52**

The table below provides details regarding the contractual maturities of significant financial liabilities :

	Less than 1 year	2-5 years	Total
As at March 31, 2026			
Borrowings	2,434.68	235.02	2,669.70
Trade Payables	675.32	-	675.32
Other Financial Liabilities	3,357.36	661.74	4,019.10
Total	**6,467.37**	**896.76**	**7,364.13**
As at March 31, 2025			
Borrowings	2,345.16	332.96	2,678.12
Trade Payables	862.16	-	862.16
Other Financial Liabilities	2,879.10	388.91	3,268.01
Total	**6,086.42**	**721.87**	**6,808.29**

(All figures are in Lakhs unless otherwise stated)

30 Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, short term borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2026	March 31, 2025
Gross Debt	2,669.70	2,678.12
Less:		
Cash and Cash Equivalent	130.81	322.88
Other Bank Balances	315.23	276.96
Investment in Mutual Funds	448.55	509.39
Net debt (A)	1,775.11	1,568.90
Total Equity (B)	**11,570.15**	**10,708.81**
Gearing ratio (A/B)	**0.15**	**0.15**

31 Share based payments

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Expense arising from equity settled share based payment transactions (ESOP)	57.24	100.85
	57.24	**100.85**

The Company has implemented Employee Stock Option Scheme 2022 ('ESOP 2022') as approved by the shareholders on 29th July, 2022. The ESOP 2022 Scheme covers the permanent employees of the Company and its subsidiaries and directors (excluding promoter directors) [collectively "eligible employees"]. The nomination and remuneration committee of the Board of AARVI ENCON LIMITED administers the ESOP 2022 Scheme and grants stock options to eligible employees.

Details of the options granted during the year ended 31st March, 2025 under the Scheme(s) are given below:

Scheme details	Grant date	No. of options granted	Exercise price (₹) per option	Vesting period	Exercise period
ESOP 2022	1-Jan-24	38,500	25.00	1 Year	1 year from Vesting date
ESOP 2022	1-Jan-24	38,500	25.00	2 Year	2 years from Vesting date
ESOP 2022	1-Jan-24	38,500	25.00	3 Year	3 years from Vesting date
ESOP 2022	1-Jan-24	38,500	25.00	4 Year	4 years from Vesting date
ESOP 2022	1-Jan-24	38,500	25.00	5 Year	5 years from Vesting date

The options are granted at an exercise price, which is in accordance with the relevant SEBI guidelines in force, at the time of such grants. Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of face value ₹10 each.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Stock option activity under the scheme(s) for the year ended 31st March, 2026 is set out below:

ESOP 2022

Particulars	No of options	Weighted average exercise price (₹) per option	Range of exercise price (₹) per option	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	163,300.00	25.00	25.00	2.25
Granted during the year	-	25.00	25.00	-
Forfeited/cancelled during the year	-	25.00	25.00	-
Lapsed during the year	-	25.00	25.00	-
Exercised during the year	-	25.00	25.00	-
Outstanding at the end of the year	163,300.00	25.00	25.00	1.75
Exercisable at the end of the year	49,300.00	25.00	25.00	1.00

32 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2026.

33 Transactions with companies struck off

There are no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

34 Financial Ratios

Financial Ratios	March 31, 2026	March 31, 2025	% Variance	Reasons
Particulars				
a) Current ratio				
Current Assets	13,945.41	13,552.71	-4.71%	
Current Liabilities	8,062.25	7,466.19		
Current ratio	1.73	1.82		
b) Debt-Equity ratio				
Debt	2,669.70	2,678.12	-7.74%	
Equity	11,570.15	10,708.81		
Debt-Equity ratio	0.23	0.25		
c) Debt service coverage ratio				
EBIDTA	1,799.20	1,324.56	42.94%	Due to increase in net profit and lower payment towards loan
Debt service	278.38	292.95		
Debt service coverage ratio	6.46	4.52		
d) Return on equity ratio				
Net Profits after taxes	1,140.29	773.49	37.88%	Due to increase in profits as compared to previous year.
Average Shareholder's Equity	11,139.48	10,418.84		
Return on equity ratio	0.10	0.07		
e) Inventory turnover ratio				
sales	Not applicable	Not applicable		
Average Inventory	Not applicable	Not applicable		
Inventory turnover ratio	Not applicable	Not applicable		
f) Trade receivables turnover ratio				
Net Credit Sales	56,992.27	46,408.10	16.38%	
Average Accounts Receivable	8,869.43	8,405.11		
Trade receivables turnover ratio	6.43	5.52		

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2026

(All figures are in Lakhs unless otherwise stated)

Financial Ratios		March 31, 2026	March 31, 2025	% Variance	Reasons
g)	**Trade payables turnover ratio**				
	Net Credit Purchases	Not applicable	Not applicable		
	Average Trade Payables	Not applicable	Not applicable		
	Trade payables turnover ratio	Not applicable	Not applicable		
h)	**Net capital turnover ratio**				
	Net Sales	56,992.27	46,408.10	27.05%	Due to increase in sales as compared to previous year.
	Working Capital	5,883.16	6,086.52		
	Net capital turnover ratio	9.69	7.62		
i)	**Net profit ratio**				
	Net Profit	1,140.29	773.49	20.04%	Due to increase in profits as compared to previous year.
	Net Sales	56,992.27	46,408.10		
	Net profit ratio	2.00%	1.67%		
j)	**Return on capital employed**				
	Earning before interest and taxes	1,622.74	1,168.10	30.68%	Due to increase in profits as compared to previous year.
	Capital Employed	14,261.20	13,415.71		
	Return on capital employed	11.38%	8.71%		
k)	**Return on investment**				
	Net Profit	1,140.29	773.49	38.59%	Due to increase in profits as compared to previous year.
	Net Investment	14,239.85	13,386.93		
	Return on investment	8.01%	5.78%		

35 Effective November 21, 2025, the Government of India (GoI) has consolidated multiple existing labour legislations into a unified framework comprising four labour codes collectively referred to as the ‘The New Labour Codes’. The Company has done actuarial valuation of Gratuity as on 31st March 2026. On the basis of Actuarial Valuation The Company has disclosed the incremental impact of these changes, which has resulted an increase in gratuity liability by ₹ 147.75 Lacs and the same has been recognised as an exceptional item in the current reporting period. In case of associate employees i.e. billable employees, the Company is of the view that these costs are contractually recoverable from customers and therefore do not have any impact on the statement of profit and loss for the period. The GoI is in the process of notifying rules related to the New Labour Codes and impact of these will be evaluated and accounted for in accordance with the applicable Indian accounting standards in the period in which they are notified.

36 During the year ended 31st March 2026, the Company reviewed the requirement of maintaining the Gratuity Retention Balance in view of the implementation of the New Labour Code and considering that adequate provision for gratuity liability has already been made based on actuarial valuation carried out in accordance with applicable accounting standards. Accordingly, the Company has written back the Gratuity Retention Balance amounting to ₹ 114.02 Lakhs, and the same has been disclosed as an Exceptional Item in the current reporting period.

37 The figures for the previous year are re-arranged/ re-grouped, wherever necessary.

As per our report of even date

For Jay Shah & Associates
Firm Registration No. 135424W
Chartered Accountants

Sd/-
Jay Shah
Proprietor
M.No. 134334
UDIN:

Place : Mumbai
Date : 22nd May, 2026

For and on behalf of the Board of Directors

Sd/-
Virendra D. Sanghavi
Managing Director
DIN:00759176

Sd/-
Jaydev V. Sanghavi
Executive Director & CFO
DIN:00759042

Sd/-
Leela S. Bisht
Company Secretary & Compliance Officer
Membership No. ACS 59748

Place : Mumbai
Date : 22nd May, 2026

#ByTheEngineersAndForTheEngineers

If undelivered please return to:

AARVI ENCON LIMITED

Regd. Office: B1-603, Marathon Innova, Marathon,
NextGen Complex, Lower Parel (W), Mumbai - 400 013
CIN: L29290MH1987PLC45499
Phone: 022 - 4049 9999

Branches:

Chennai, Delhi- NCR, Baroda, Kolkata, Jamnagar, Surat

United Arab Emirates, Oman, Qatar, Indonesia, United Kingdom,
Malaysia, Kingdom of Saudi Arabia

Website : www.aarviencon.com