gokhale & sathe (regd.)
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

**INDEPENDENT AUDITORS REPORT**

**TO THE MEMBERS OF AARTI CORPORATE SERVICES LIMITED**

## Report on the Audit of the Ind AS Financial Statements

### Opinion

We have audited the accompanying Ind AS Financial statements of Aarti Corporate Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS Financial statements").

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

### Basis for Opinion

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

GOKHALE & SATHE
MUMBAI
FRN No. 103264W
CHARTERED ACCOUNTANTS

### Information Other than the Ind AS 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 Board's Report including Annexures to Board's Report and Shareholder's Information but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

GOKHALE & SATHE
MUMBAI
FRN No. 103264W
CHARTERED ACCOUNTANTS

gokhale & sathe (regd.)
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

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

GOKHALE & SATHE MUMBAI FRN No. 103264W CHARTERED ACCOUNTANTS

**gokhale & sathe (regd.)**
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid Ind AS Financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified

GOKHALE & SATHE MUMBAI FRN No. 103264W CHARTERED ACCOUNTANTS

**gokhale & sathe (regd.)**
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations as at 31st March 2020 which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

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

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Reg. No.: 103264W

GOKHALE & SATHE
MUMBAI
FIRM No. 103264W
CHARTERED ACCOUNTANTS

TEJAS. J. PARIKH
PARTNER.
Membership No: 123215
UDIN: -20123215AAAAAY4511
Place: Mumbai
Date: 22.05.2020

**gokhale & sathe (regd.)**
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Corporate Services Limited of even date)

i) As per information and explanation given to us the Company does not hold any fixed assets. Accordingly, reporting under clause 3(i) of the Order is not applicable to the Company.

ii) The Company is in the business of providing Non-Banking Financial Services and consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.

iii) According to the information and explanations given to us, the Company had granted unsecured loan to its wholly owned subsidiary covered under section 189 of the Companies Act, 2013.

   a) In respect of abovesaid loan, terms and conditions of grant of such loan were not prejudicial to the Company's interest.

   b) Terms and conditions do not stipulate any repayment of principal and payment of interest schedule and the loans are repayable on demand. However, receipt of interest is regular.

   c) There is no overdue amount in respect of such loan granted.

iv) In our opinion, Company being NBFC, provisions of section 185 and 186 of the Act, in respect to loans, making investments and providing guarantees and securities, are not applicable

v) The Company is a non-banking finance company and consequently is exempt from provisions of Section 73,74,75 and 76 of the Act. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.

vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any activities conducted or services rendered by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

**gokhale & sathe (regd.)**
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

vii)

a) The Company is regular in depositing with appropriate authorities undisputed statutory dues like Income tax and any other statutory dues applicable to it.
b) There were no undisputed amount payable in respect of Income Tax and material statutory dues in arrears as at March 2020, for a period of more than 6 months from the date they become payable.
c) In our opinion and according to the information and explanations given to us, there were no dues of income tax which have not been deposited on account of disputes.

viii) In our opinion and according to the information and explanation given to us, the Company has not raised money from financial institutions or bank or debenture holders and hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix) In our opinion and according to the information and explanation given to us, the Company did not raise any money by way of term loans, public offer or further public offer (including debt instruments) during the year.

x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year

xi) In our opinion and according to the information and explanations given to us, the Company has not paid any for managerial remuneration and hence reporting under clause 3(xi) of the Order is not applicable to the Company.

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

xiii) According to the information and explanation given to us, the Company is in compliance with sections 177 and 188 of the Act where applicable, for all transactions with related parties and the details of the related party transactions have been disclosed in the financial statements as required by applicable accounting standard.

GOKHALE & SATHE
MUMBAI
CHARTERED ACCOUNTANTS

**gokhale & sathe (regd.)**
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

xiv) According to the information and explanations given by the management, the Company has not raised any money by preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

xv) According to the information and explanation given to us, during the year, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

xvi) According to the information and explanation given to us, the Company is registered NBFC under section 45-IA of Reserve Bank of India Act, 1934.

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Reg. No.: 103264W

TEJAS. J. PARIKH
PARTNER.
Membership No: 123215
UDIN: -20123215AAAAAY4511
Place: Mumbai
Date: 22.05.2020

**gokhale & sathe (regd.)**
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aarti Corporate Services Limited of even date)

Report on Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aarti Corporate Services Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS 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. 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.

**gokhale & sathe (regd.)**
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of 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.

gokhale & sathe (regd.)
chartered accountants
308/309, Udyog Mandir No. 1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016
Tel :91 22 43484242
Email – office@gokhalesathe.in

**Opinion**

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

For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Reg. No.: 103264W

TEJAS. J. PARIKH
PARTNER.
Membership No: 123215
UDIN: -20123215AAAAAY4511
Place: Mumbai
Date: 22.05.2020

**AARTI CORPORATE SERVICES LIMITED**
**BALANCE SHEET AS AT 31ST MARCH 2020**

(Amount in Rs.)

| | Particulars | Note No. | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| 1) | **Financial Assets** | | | |
| | (a) Cash and cash equivalents | 2 | 525,537 | 484,408 |
| | (b) Bank Balance other than (a) above | 3 | 7,000,000 | 4,000,000 |
| | (c) Receivables | | | |
| | (I) Trade Receivables | | | |
| | (II) Other Receivables | 4 | 4,083,800 | 3,742,695 |
| | (d) Loans | 5 | 37,831,090 | 42,046,515 |
| | (e) Investments | 6 | 129,347,414 | 143,987,913 |
| 2) | **Non-financial Assets** | | | |
| | (a) Current tax assets (Net) | 7 | 2,774,797 | 1,370,488 |
| | **TOTAL ASSETS** | | 181,562,638 | 195,632,020 |
| | **LIABILITIES AND EQUITY** | | | |
| | **LIABILITIES** | | | |
| 1) | **Financial Liabilities** | | | |
| | (a) Payables | | | |
| | (I) Trade Payables | | 295,600 | 33,500 |
| | (II) Other Payables | | 27,000 | - |
| 2) | **Non-Financial Liabilities** | | | |
| | (a) Current tax liabilities (Net) | | - | - |
| | (b) Deferred tax Liabiliites (Net) | 8 | 2,431,638 | 3,954,250 |
| | (c) Provisions on Standard Assets | | 428,156 | - |
| 3) | **EQUITY** | | | |
| | (a) Equity Share capital | 9 | 20,246,800 | 20,246,800 |
| | (b) Other Equity | 10 | 158,133,445 | 171,397,470 |
| | **TOTAL** | | 181,562,638 | 195,632,020 |
| | **Significant Accounting Policies and Notes to Accounts** | 1-17 | (0) | 0 |

As per our report of even date
For **GOKHALE & SATHE**
**CHARTERED ACCOUNTANTS**
Firm Reg. No. 103264W

TEJAS PARIKH
**PARTNER**
Membership No. 123215

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

PLACE: MUMBAI
DATE: 22/05/2020

FOR AARTI CORPORATE SERVICES LIMITED

PARIMAL H. DESAI
**DIRECTOR**
DIN: 00009272

MANOJ M. CHHEDA
**DIRECTOR**
DIN:00022699

**AARTI CORPORATE SERVICES LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2020**

(Amount in Rs. )

| | Particulars | Note No. | For the Year Ended 31st March, 2020 | For the Year Ended 31st March, 2019 |
|---|---|---|---|---|
| I | Revenue from Operations | | | |
| | (i) Interest Income | 11 | 5,794,875 | 4,221,770 |
| | (ii) Dividend Income | | 729,108 | 9,200,116 |
| II | **Total Income** | | **6,523,983** | **13,421,886** |
| III | **EXPENSES** | | | |
| (i) | Finance Costs | 12 | 1,062 | 915 |
| (ii) | Fees and commission expense | | - | - |
| (iii) | Net loss on fair value changes | | - | - |
| (iv) | Net loss on derecognition of financial instruments under amortised cost category | | - | - |
| (v) | Impairment on financial instruments | | - | - |
| (vi) | Depreciation and Amortisation Expenses | | - | - |
| (vii) | Other Expenses | 13 | 6,594,060 | 1,039,259 |
| | **Total Expenses** | | **6,595,122** | **1,040,174** |
| | **Profit / (loss) before exceptional items and tax** | | **(71,139)** | **12,381,713** |
| | Exceptional items | | | |
| | **Profit/(loss) before tax** | | | |
| | **TAX EXPENSES** | | | |
| | Current Year Tax | | 75,000 | 1,043,560 |
| | Deferred Tax | | - | - |
| | **Total Tax Expenses** | | **75,000** | **1,043,560** |
| | **PROFIT AFTER TAX** | | **(146,139)** | **11,338,153** |
| | **OTHER COMPREHENSIVE INCOME** | | | |
| | **Items that will not be reclassified to Statement of Profit and Loss** | | | |
| | Fair Value Change of Investments | | (14,640,500) | 43,297,682 |
| | Defered Tax on Fair Value Change | | 1,522,612 | (4,502,959) |
| | **Items that will be reclassified to Statement of Profit and Loss** | | - | - |
| | **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **(13,264,026)** | **50,132,875** |
| | **Earnings Per Equity Share (EPS) (in Rs.)** | 14 | | |
| | Basic (Rs.) | | (0.07) | 5.60 |
| | Diluted (Rs.) | | (0.07) | 5.60 |
| | **Significant Accounting Policies and Notes to Accounts** | 1-19 | | |

As per our report of even date
For **GOKHALE & SATHE**
**CHARTERED ACCOUNTANTS**
Firm Reg. No. 103264W

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

TEJAS PARIKH
**PARTNER**
Membership No. 123215

PLACE: MUMBAI
DATE: 22/05/2020

FOR **AARTI CORPORATE SERVICES LIMITED**

PARIMAL H. DESAI
**DIRECTOR**
DIN: 00009272

MANOJ M. CHHEDA
**DIRECTOR**
DIN:00022699

AARTI CORPORATE SERVICES LIMITED
Statement of Changes in Equity for the year ended 31st March, 2020

A. **EQUITY SHARE CAPITAL**

(Amount in Rs.)

| Balance at the beiginning of the reporting period i.e. 1st April, 2019 | Change in Equity Share Capital during the year 2019-20 | Balance at the end of the reporting period i.e. 31st March, 2020 |
|---|---|---|
| 20,246,800 | - | 20,246,800 |

B. **OTHER EQUITY**

(Amount in Rs.)

| Particulars | Reserves and Surplus | | | Other Comprehensive Income | Total Other Equity |
|---|---|---|---|---|---|
| | General Reserve | Reserve u/s 45IC RBI | Retained Earnings | | |
| **As at 1st April, 2019** | - | 37,022,223 | 100,359,089 | 34,016,158 | 171,397,470 |
| Total Comprehensive Income for the Period | - | - | (146,139) | (13,117,888) | (13,264,026) |
| Dividend Paid | - | - | | - | - |
| Tax on Dividend Paid | - | - | | - | - |
| Transfer to Other Reserves | - | - | - | - | - |
| **Balance as at 31st March, 2020** | - | 37,022,223 | 100,212,950 | 20,898,270 | 158,133,444 |

As per our report of even date
For **GOKHALE & SATHE**
**CHARTERED ACCOUNTANTS**
Firm Reg. No. 103264W

TEJAS PARIKH
**PARTNER**
Membership No. 123215

PLACE: MUMBAI
DATE: 22/05/2020

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

FOR **AARTI CORPORATE SERVICES LIMITED**

PARIMAL H. DESAI
**DIRECTOR**
DIN:'00009272

MANOJ M. CHHEDA
**DIRECTOR**
DIN:00022699

## AARTI CORPORATE SERVICES LIMITED
## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2020

(Amount in Rs.)

| | Particulars | For the Year ended 31st March, 2020 | For the Year ended 31st March, 2019 |
|---|---|---|---|
| A. | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | Net profit before Tax as per Statement of Profit and Loss | **(71,139)** | **12,381,713** |
| | **Adjusted for:** | | |
| | Finance Cost | 1,062 | 915 |
| | Dividend Received | - | - |
| | Provision as per NBFC Prudential Norms | 428,156 | - |
| | **Operating Profit before Working Capital Changes** | **358,079** | **12,382,627** |
| | **Adjusted for:** | | |
| | (Increase)/ Decrease in Loans and other Receivables | 3,874,321 | (13,784,714) |
| | (Increase)/ Decrease in Other Assets | - | - |
| | Increase/ (Decrease) Trade & Other payable | 289,100 | (22,500) |
| | **Cash Generated from Operations** | **4,521,500** | **(1,424,587)** |
| | Taxes Paid (Net) | (1,479,309) | (1,357,708) |
| | **Net Cash Flow used in Operating Activities** | **3,042,191** | **(2,782,295)** |
| B | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | Term Deposit Made During the Year | (3,000,000) | (4,000,000) |
| | **Net Cash from Investing Activities** | **(3,000,000)** | **(4,000,000)** |
| C | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Repayment of Debt Securities and Borrowings | - | - |
| | Finance Cost | (1,062) | (915) |
| | Dividend Paid | - | - |
| | **Net Cash Flow used in Financing Activities** | **(1,062)** | **(915)** |
| | | | |
| | Net Increase/(Decrease) in Cash and Cash Equivalents | 41,129 | (6,783,210) |
| | Opening Balance of Cash Equivalents | 484,408 | 7,267,617 |
| | **Closing Balance of Cash and Cash Equivalents** | **525,537** | **484,408** |
| | | | |

As per our report of even date
For **GOKHALE & SATHE**
**CHARTERED ACCOUNTANTS**
Firm Reg. No. 103264W

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

TEJAS PARIKH
**PARTNER**

FOR AARTI CORPORATE SERVICES LIMITED

PARIMAL H. DESAI
**DIRECTOR**
DIN:'00009272

MANOJ M. CHHEDA
**DIRECTOR**
DIN:00022699

PLACE: MUMBAI
DATE: 22/05/2020

# AARTI CORPORATE SERVICES LIMITED
## NOTES FORMING PART OF FINANCIAL STATEMENTS

| | Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| 2 | **Cash and cash equivalents** | | |
| | Cash on Hand | 122,395 | 123,655 |
| | Balances with Banks | 403,142 | 360,753 |
| | **Total** | **525,537** | **484,408** |
| | | | |
| 3 | **Bank Balance other than (a) above** | | |
| | Fixed Deposit with Axis Bank | 7,000,000 | 4,000,000 |
| | **Total** | **7,000,000** | **4,000,000** |
| | | | |
| 4 | **Other Receivables** | | |
| | Interest Receivables on Loan & Fixed Deposit | 4,080,800 | 3,739,695 |
| | Deposits | 3,000 | 3,000 |
| | **Total** | **4,083,800** | **3,742,695** |
| | | | |

GOKHALE & SATHE
MUMBAI
FIRM No. 103264W
CHARTERED ACCOUNTANTS

5. Loans

(Amount in Rs.)

| Particulars | As on 31st March 2020 | | | As on 31st March 2019 | | |
|---|---|---|---|---|---|---|
| | Amortised cost | Others | Total | Amortised cost | Others | Total |
| **A. Loans** | | | | | | |
| Loans repayable on Demand | 37,831,090 | - | 37,831,090 | 42,046,515 | - | 42,046,515 |
| **Total (A) - Gross** | **37,831,090** | - | **37,831,090** | **42,046,515** | - | **42,046,515** |
| Less: Impairment loss allowance | - | - | - | - | - | - |
| **Total (A) - Net** | **37,831,090** | - | **37,831,090** | **42,046,515** | - | **42,046,515** |
| **B. Unsecured** | 37,831,090 | - | 37,831,090 | 42,046,515 | - | 42,046,515 |
| **Total (B) - Gross** | **37,831,090** | - | **37,831,090** | **42,046,515** | - | **42,046,515** |
| Less: Impairment loss allowance | - | - | - | - | - | - |
| **Total (B) - Net** | **37,831,090** | - | **37,831,090** | **42,046,515** | - | **42,046,515** |
| **C. (I) Loans in India** | | | | | | |
| (i) Public Sector | - | - | - | | - | - |
| (ii) Others | 37,831,090 | - | 37,831,090 | 42,046,515 | - | 42,046,515 |
| **Total (C) (I) - Gross** | **37,831,090** | - | **37,831,090** | **42,046,515** | - | **42,046,515** |
| Less: Impairment loss allowance | - | - | - | - | - | - |
| **Total (C) (II) - Net** | **37,831,090** | - | **37,831,090** | **42,046,515** | - | **42,046,515** |
| **C. (II) Loans Outisde India** | - | - | - | - | - | - |
| **Total (C) (I) - Gross** | - | - | - | - | - | - |
| Less: Impairment loss allowance | - | - | - | - | - | - |
| **Total (C) (II) - Net** | - | - | - | - | - | - |
| **Total (C) (I) + (II)** | **37,831,090** | - | **37,831,090** | **42,046,515** | - | **42,046,515** |

GOKHALE & SATHE * MUMBAI * FIRM No. 103264W * CHARTERED ACCOUNTANTS

AARTI CORPORATE SERVICES LIMITED

6. Investments

As on 31st March 2020

(Amount in Rs.)

| Investments | Quantity (Number of Shares) | Amortised Cost | At Fair Value: Through Other Comprehensive income | At Fair Value: Through Profit or Loss | At Fair Value: Designated at fair value through Other Comprehensive income | Sub total | Others* | Total |
|---|---|---|---|---|---|---|---|---|
| **Investement in quoted Equity Shares** | | | | | | | | |
| Valiant Organics Limited * | 40,506 | - | - | - | 42,328,770 | 42,328,770 | - | 42,328,770 |
| **Investement in Unquoted Equity Shares** | | | | | | | | |
| Aarti Biotech Limited | 421,700 | - | - | - | 1,186,194 | 1,186,194 | - | 1,186,194 |
| Bewakoof Brands Private Limited | 4,033 | - | - | - | 51,520,459 | 51,520,459 | - | 51,520,459 |
| Deltecs Infotech Private Limited | 858 | - | - | - | 679,090 | 679,090 | - | 679,090 |
| Perfect Enviro Control System Limited | 343,840 | - | - | - | 1,972,878 | 1,972,878 | - | 1,972,878 |
| Polygomma Industries Private Limited | 533,358 | - | - | - | - | - | - | - |
| Aarti Intermediates private limited | 22,125 | - | - | - | 22,125 | 22,125 | - | 22,125 |
| Number Mask Digital Private Limited | 1,125 | - | - | - | 1,125 | 1,125 | - | 1,125 |
| Trans Retain Venture Private Limited | 28,796 | - | - | - | 28,796 | 28,796 | - | 28,796 |
| **% Optionally Convertible Redeemable Preference Shares** | | | | | | | | |
| Deltecs Infotech Private Limited (Face Value Rs. 10/- Paid-up Value Rs.3.50 per share) | 750,000 | 2,625,000 | - | | - | 2,625,000 | - | 2,625,000 |
| **Redeemable Non Cumulative Preference Share of Rs.100 Each** | | | | | | | | |
| Valiant Organics Limited | 2,400 | 240,000 | | | | 240,000 | | 240,000 |
| **Optionally Convertible Preference Share of Rs.10 each** | | | | | | | | |
| Valiant Organics Limited | 11,814 | 118,140 | | | | 118,140 | | 118,140 |
| **Warrant Certificate** | | | | | | | | |
| Deltecs Infotech Private Limited | 93 | 930 | - | - | - | 930 | - | 930 |
| **Investments in Subsidiaries** | | | | | | | | |
| Shanti Intermediates Private Limited | 6,765 | 4,823,406 | - | - | - | 4,823,406 | - | 4,823,406 |
| Nascent Chemical Industries Limited | 302,920 | 23,800,500 | - | - | - | 23,800,500 | - | 23,800,500 |
| **Total Gross (A)** | | 31,607,976 | - | - | 97,739,438 | 129,347,414 | - | 129,347,414 |
| | | | | | | | | |
| Overseas investments | | - | - | - | - | - | - | - |
| Investments in India | | 31,607,976 | - | - | 97,739,438 | 129,347,414 | - | 129,347,414 |
| **Total Gross (B)** | | 31,607,976 | - | - | 97,739,438 | 129,347,414 | - | 129,347,414 |
| Less Allowance for Impairment loss ('C) | | - | - | - | - | - | - | - |
| **Total Net** | | 31,607,976 | - | - | 97,739,438 | 129,347,414 | - | 129,347,414 |
| Amarjyot Chemicals Limited * | | | | | | | | |

GOKHALE & SATHE
MUMBAI
FIRM No. 103264W
CHARTERED ACCOUNTANTS

**AARTI CORPORATE SERVICES LIMITED**
**6. Investments**

As on 31st March 2019

(Amount in Rs.)

| Investments | Quantity (Number of Shares) | Amortised Cost | At Fair Value: Through Other Comprehensive income | At Fair Value: Through Profit or Loss | At Fair Value: Designated at fair value through Other Comprehensive income | Sub total | Others* | Total |
|---|---|---|---|---|---|---|---|---|
| **Investement in Unquoted Equity Shares** | | | | | | | | |
| Amarjyot Chemicals Limited | 56,258 | - | - | - | 42,531,048 | 42,531,048 | - | 42,531,048 |
| Aarti Biotech Limited | 421,700 | - | - | - | 1,128,058 | 1,128,058 | - | 1,128,058 |
| Bewakoof Brands Private Limited | 4,033 | - | - | - | 21,713,258 | 21,713,258 | - | 21,713,258 |
| Deltecs Infotech Private Limited | 858 | - | - | - | 119,818 | 119,818 | - | 119,818 |
| Perfect Enviro Control System Limited | 343,840 | - | - | - | 1,799,413 | 1,799,413 | - | 1,799,413 |
| Polygomma Industries Private Limited | 533,358 | - | - | - | 45,394,436 | 45,394,436 | - | 45,394,436 |
| Aarti Intermediates private limited | 22,125 | - | - | - | 22,125 | 22,125 | - | 22,125 |
| Number Mask Digital Private Limited | 1,125 | - | - | - | 1,125 | 1,125 | - | 1,125 |
| Trans Retain Venture Private Limited | 28,796 | - | - | - | 28,796 | 28,796 | - | 28,796 |
| **% Optionally Convertible Redeemable Preference Shares** | | | | | | | | |
| Deltecs Infotech Private Limited (Face Value Rs. 10/- Paid-up Value Rs.3.50 per share) | 750,000 | 2,625,000 | - | | - | 2,625,000 | - | 2,625,000 |
| **Warrant Certificate** | | | | | | | | |
| Deltecs Infotech Private Limited | 93 | 930 | - | - | - | 930 | - | 930 |
| **Investments in Subsidiaries** | | | | | | | | |
| Shanti Intermediates Private Limited | 6,765 | 4,823,406 | - | - | - | 4,823,406 | - | 4,823,406 |
| Nascent Chemical Industries Limited | 302,920 | 23,800,500 | - | - | - | 23,800,500 | - | 23,800,500 |
| **Total Gross (A)** | | **31,249,836** | **-** | **-** | **112,738,077** | **143,987,913** | **-** | **143,987,913** |
| | | | | | | | | |
| Overseas investments | | - | - | - | - | - | - | - |
| Investments in India | | 31,249,836 | - | - | 112,738,077 | 143,987,913 | - | 143,987,913 |
| **Total Gross (B)** | | **31,249,836** | **-** | **-** | **112,738,077** | **143,987,913** | **-** | **143,987,913** |
| Less: Allowance for Impairment loss ('C) | | - | - | - | - | - | - | - |
| **Total Net** | | **31,249,836** | **-** | **-** | **112,738,077** | **143,987,913** | **-** | **143,987,913** |

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

AARTI CORPORATE SERVICES LIMITED

6. Investments

As at 1st of April, 2018

(Amount in Rs.)

| Investments | Quantity (Number of Shares) | Amortised Cost | At Fair Value: Through Other Comprehensive income | At Fair Value: Through Profit or Loss | At Fair Value: Designated at fair value through Other Comprehensive income | Sub total | Others* | Total |
|---|---|---|---|---|---|---|---|---|
| **Investement in Unquoted Equity Shares** | | | | | | | | |
| Amarjyot Chemicals Limited | 56,258 | - | - | - | 10,952,040 | 10,952,040 | - | 10,952,040 |
| Aarti Biotech Limited | 421,700 | - | - | - | 1,067,770 | 1,067,770 | - | 1,067,770 |
| Bewakoof Brands Private Limited | 4,033 | - | - | - | 8,848,676 | 8,848,676 | - | 8,848,676 |
| Deltecs Infotech Private Limited | 858 | - | - | - | 1,276,810 | 1,276,810 | - | 1,276,810 |
| Perfect Enviro Control System Limited | 343,840 | - | - | - | 1,682,411 | 1,682,411 | - | 1,682,411 |
| Polygomma Industries Private Limited | 533,358 | - | - | - | 45,394,436 | 45,394,436 | - | 45,394,436 |
| Trans Retain Venture Private Limited | 28,796 | - | - | - | 218,253 | 218,253 | - | 218,253 |
| **% Optionally Convertible Redeemable Preference Shares** | | | | | | | | |
| Deltecs Infotech Private Limited (Face Value Rs. 10/- Paid-up Value Rs.3.50 per share) | 750,000 | - | - | 2,625,000 | - | 2,625,000 | - | 2,625,000 |
| **Warrant Certificate** | | | | | | | | |
| Deltecs Infotech Private Limited | 93 | 930 | - | - | - | 930 | - | 930 |
| **Investments in Subsidiaries** | | | | | | | | |
| Shanti Intermediates Private Limited | 6,765 | 4,823,406 | - | - | - | 4,823,406 | - | 4,823,406 |
| Nascent Chemical Industries Limited | 302,920 | 23,800,500 | - | - | - | 23,800,500 | - | 23,800,500 |
| **Total Gross (A)** | | **28,624,836** | - | **2,625,000** | **69,440,396** | **100,690,232** | - | **100,690,232** |
| | | | | | | | | |
| Overseas investments | | - | - | - | - | - | - | - |
| Investments in India | | 28,624,836 | - | 2,625,000 | 69,440,396 | 100,690,232 | - | 100,690,232 |
| **Total Gross (B)** | | **28,624,836** | - | **2,625,000** | **69,440,396** | **100,690,232** | - | **100,690,232** |
| Less: Allowance for Impairment loss (C) | | - | - | - | - | - | - | - |
| **Total Net** | | **28,624,836** | - | **2,625,000** | **69,440,396** | **100,690,232** | - | **100,690,232** |

KHALE & SATHE MUMBAI FIRM No. 103264W RED ACCOUNTANTS

AARTI CORPORATE SERVICES LIMITED

(Amount in Rs.)

| | Particulars | As at 31st March 2020 | As at 31st March 2019 |
|---|---|---|---|
| | | | |
| 7 | **Current tax assets (Net)** | | |
| | Provision for Taxation for Earlier Periods (Net) | 1,059,723 | 1,059,723 |
| | Provision for Taxation AY 19-20 | 310,765 | 310,765 |
| | Provision for Taxation AY 20-21 | 1,404,309 | - |
| | | | |
| | Total | **2,774,797** | **1,370,488** |
| | | | |
| 8 | **Deferred Tax Asset/(Liability) (Net)** | | |
| | At the start of the year | (3,954,250) | 548,709 |
| | Charge/(credit) to the Statement of Profit and Loss | 1,522,612 | (4,502,959) |
| | **At the end of the year** | **(2,431,638)** | **(3,954,250)** |
| | | | |
| 8.1 | **Components of Deferred Tax Asset/(Liability)** | | |
| | **Deferred tax assets/(liabilities) in relation to:** | (3,954,250) | 548,709 |
| | Fair Value Change of Investments | 1,522,612 | (4,502,959) |
| | Total | **(2,431,638)** | **(3,954,250)** |
| | | | |

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

AARTI CORPORATE SERVICES LIMITED

(Amount in Rs.)

| | Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| 9 | **Equity Share Capital** | | |
| | **Authorised Share Capital** | | |
| | 32,50,000 Equity Shares of ` 10/- each | 32,500,000 | 32,500,000 |
| | | | |
| | **Issued, Subscribed & Paid up** | | |
| | 20,24,680 Equity Shares of ` 10/- each fully paid up | 20,246,800 | 20,246,800 |
| | | | |
| | Total | **20,246,800** | **20,246,800** |

9.10

| | Particulars | As on 31.03.2020<br>No. of shares | As on 31.03.2019<br>No. of shares |
|---|---|---|---|
| | | | |
| | Equity shares at the beginning of the year | 2,024,680 | 2,024,680 |
| | Less: shares bought back during the year | | - |
| | | | |
| | Total | **2,024,680** | **2,024,680** |

9.20

| | Name of Shareholders | As on 31.03.2020 | | As on 31.03.2019 | |
|---|---|---|---|---|---|
| | | No. of Shares | % held | No. of Shares | % held |
| | Aarti Industries Limtied | 2,024,680 | 100% | 2,024,680 | 100% |
| | Total | **2,024,680** | **100%** | **2,024,680** | **100%** |

9.3

| | Name of Shareholders | Financial Year | | | | |
|---|---|---|---|---|---|---|
| | | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 |
| | No. of Equity Shares outstanding | 2,024,680 | 2,024,680 | 2,024,680 | 2,024,680 | 2,024,680 |
| | Total | **2,024,680** | **2,024,680** | **2,024,680** | **2,024,680** | **2,024,680** |

GOKHALE & SATHE * MUMBAI * CHARTERED ACCOUNTANTS FIRM No. 103264W

AARTI CORPORATE SERVICES LIMITED

## 10 OTHER EQUITY

(Amount in Rs.)

| Particulars | 31st March 2020 | | | |
|---|---|---|---|---|
| | Reserve u/s 45IC RBI | Retained Earnings | Other Comprehensive Income (OCI) | Total |
| **Balance as at 1st April 2019** | 37,022,223 | 100,359,089 | 34,016,159 | 171,397,471 |
| **Total Comprehensive Income for the Period** | - | (146,139) | (13,117,888) | (13,264,026) |
| Transfer to Other Reserves | | - | - | - |
| **Balance as on 31st March 2020** | 37,022,223 | 100,212,950 | 20,898,271 | 158,133,445 |

| Particulars | 31st March 2019 | | | |
|---|---|---|---|---|
| | Reserve u/s 45IC RBI | Retained Earnings | Other Comprehensive Income (OCI) | Total |
| **Balance as at 1st April 2018** | 34,641,211 | 91,401,948 | (4,778,564) | 121,264,595 |
| **Total Comprehensive Income for the Period** | - | 11,338,153 | 38,794,723 | 50,132,875 |
| Transfer to Other Reserves | 2,381,012 | (2,381,012) | - | - |
| **Balance as on 31st March 2019** | 37,022,223 | 100,359,089 | 34,016,159 | 171,397,470 |

GOKHALE & SATHE * CHARTERED ACCOUNTANTS * MUMBAI FRM No. 103264W

AARTI CORPORATE SERVICES LIMITED

(Amount in Rs.)

| | Particulars | FY 2019-20 | FY 2018-19 |
|---|---|---|---|
| 11 | **Interest Income** | | |
| | Interest On Loan | 5,476,364 | 4,221,770 |
| | Interest on Fixed Deposits | 318,511 | - |
| | **Total** | **5,794,875** | **4,221,770** |
| | | | |
| 12 | **Finance Cost** | | |
| | Bank Charges | 1,062 | 915 |
| | | **1,062** | **915** |
| | | | |
| 13 | **Other Expenses** | | |
| | Provision as per NBFC Prudential Norms on Standard Assets | 428,156 | - |
| | Bad Debts | 4,720,000 | |
| | Audit Fees | 76,700 | 29,500 |
| | Legal and Professional Fees | 625,990 | 153,400 |
| | Other Miscellaneous Expenses | 43,214 | 86,359 |
| | Donation | 700,000 | 770,000 |
| | **Total** | **6,594,060** | **1,039,259** |
| | | | |

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

2

AARTI CORPORATE SERVICES LIMITED

14. Earning Per Share (EPS)

(Amount in Rs.)

| Particulars | 31st March 2020<br>Amount as per IND AS | 31st March 2019<br>Amount as per IND AS |
|---|---|---|
| **Face Value Per Equity Share (Rs.)** | **10.00** | **10.00** |
| **Basic Earnings Per Share (Rs.)** | **-0.07** | **5.60** |
| Net Profit After Tax as per Statement of Profit or Loss attributable to Equity Shareholders | (146,139) | 11,338,153 |
| Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS | 2,024,680 | 2,024,680 |
| **Diluted Earnings Per Share (Rs.)** | **-0.07** | **5.60** |
| Net Profit After Tax as per Statement of Profit or Loss attributable to Equity Shareholders | (146,139) | 11,338,153 |
| Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS | 2,024,680 | 2,024,680 |
| **Reconciliation of weighted average number of shares outstanding** | | |
| Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS | 2,024,680 | 2,024,680 |
| Total Weighted Average Potential Equity Shares | - | - |
| Weighted Average Number of Equity Shares used as denominator for calculating Diluted EPS | 2,024,680 | 2,024,680 |
| | | |

GOKHALE & SATHE * CHARTERED ACCOUNTANTS * MUMBAI FIRM No. 103264W

1. **Significant accounting policies**

a. **Basis of Preparation**

The financial statements of the Company have been prepared in all material aspects in accordance with Indian Accounting Standards (Ind AS) as per rule 4 of The Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013 ('the Act') and other relevant Provisions of the Act and the relevant Reserve Bank of India guidelines to NBFCs as applicable to Primary Dealers in Government Securities.

The financial statements up to the year ended March 31st, 2020 were prepared in accordance with the requirement of Indian Generally Accepted Accounting Principles (IGAAP) which include the accounting standards notified under the Companies (accounting standards) Rules, 2006 (as amended) and other relevant provisions of the Companies Act, 2013.

These financial statements are the first financial statements of the company under Ind AS.

The financial statements have been prepared on an accrual basis and under the historical cost basis, except for certain financial assets measured at fair value the following assets and liabilities which have been measured at fair value or revalued amount wherever applicable.

b. **Functional and Presentation Currency**

The financial statements are presented in Indian Rupees (`) which is the functional currency for the Company.

c. **Financial Instruments**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**(I) Financial assets**

**Financial assets at amortised cost**

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of financial asset give rise on a specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

The method of calculating the amortised cost of financial assets and of allocating interest income over the relevant period is effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income on financial assets measured at amortised cost is recognised in the statement of profit or loss and is included in the "Revenue from operations".

**Financial assets at fair value through other comprehensive income (FVTOCI)**

GOKHALE & SATHE CHARTERED ACCOUNTANTS MUMBAI FIRM NO. 103264W

A financial asset is measured through FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial asset give rise on a specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through profit and loss (FVTPL)**

A financial asset which is not classified under any of the above categories is measured at FVTPL. At the end of each reporting period, the financial assets through FVTPL are measured at fair value and any gains or losses arising on remeasurement are recognised in the statement of profit or loss.

**Investment in Equity Instruments**

All equity investments covered within the scope of Ind-AS 109 are measured at fair value and the changes in value are recognised in the Statement of Profit and loss except for those equity instruments which the Company has chosen to recognise the value changes in 'Other Comprehensive Income'. The classification of recognising the value changes either through FVTPL or FVTOCI is made on initial recognition and is irrevocable.

The dividends earned on equity instruments those are measured through FVTOCI are recognised in Statement of Profit and loss. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

**Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or when it has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received / receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

GOKHALE & SATHE MUMBAI CHARTERED ACCOUNTANTS FRM No. 103264W

At every reporting date the financial assets are tested for impairment. The Company uses historical default rates to determine impairment loss. The Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**(II) Financial liabilities**

**Initial recognition and measurement**

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

**Subsequent measurement**

Financial liabilities are carried at amortised cost using effective interest rate method. 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.

**Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in profit or loss.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost. Similarly, interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest method.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

**d. Cash and cash equivalents**

The Company considers all highly liquid financial instruments which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of 3 months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of bank balances which are unrestricted for withdrawal and usage.

**e. Fair value measurement**

The Company measures certain financial instruments, 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

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

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

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

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

**f. Revenue recognition**

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 made. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

i. **Interest income**

**On financial assets classified under amortised cost**

Interest income from financial instruments classified as at amortised cost is recognised using the effective interest rate ("EIR") method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of financial assets to the gross carrying amount of a 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.

**On financial assets classified under fair value through profit or loss**

Interest income on assets classified under fair value through profit or loss is recognised on time proportion basis at the coupon rates specified for the instruments.

ii. **Dividend income**

Dividend income from investments is recognised when the Company's right to receive payment has been established which is generally when shareholder approve the dividend, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

iii. **Other Income**

Other income is accounted on accrual basis, except when there is significant uncertainty about realisation of the same, in which case, the income is recognised when the income is realised.

g. **Borrowing costs**

Borrowing Costs other than those directly attributable to Qualifying Assets are recognised as expenses in profit or loss in the period in which they are incurred.

h. **Taxes on Income**

Tax on Income comprises current tax and deferred tax. These are recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**Current tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly



GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

i. **Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for the effects of dividend, interest and other charges relating to the dilutive potential equity shares by weighted average number of shares plus dilutive potential equity shares.

j. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

GOKHALE & SATHE MUMBAI CHARTERED ACCOUNTANTS FIRM No. 103264W

**15 Capital Management**

The Company's objectives for managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company's policy is to use current and non - current borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

The Company believes that it will able to meet all its current liabilities and interest obligation on timely manner.

GOKHALE & SATHE
MUMBAI
FIRM No. 103264W
CHARTERED ACCOUNTANTS

AARTI CORPORATE SERVICES LIMITED

16 Financial Instruments

A. Fair Value Measurement Hierarchy

(Amount in Rs. )

| Particulars | As at 31st March 2020 | | | |
|---|---|---|---|---|
| | Carrying Amount | Level 1 | Level 2 | Level 3 |
| **(A) Financial Assets** | | | | |
| **At Amortised Cost** | | | | |
| Cash and cash equivalents | 525,537 | - | - | - |
| Bank balances other than cash and cash equivalents | 7,000,000 | - | - | - |
| Other Receivables | 4,083,800 | - | - | - |
| Loans | 37,831,090 | - | - | - |
| Investment in Warrant Certificates | 930 | - | - | - |
| Investment in Subsidiaries | 28,623,906 | - | - | - |
| Other Financial Assets | - | - | - | - |
| **Sub-total (A)** | **78,065,263** | - | - | - |
| **(B) Fair Value through Profit or Loss** | | | | |
| Preference Shares | 2,983,140 | - | - | 2,983,140 |
| **Sub-total (B)** | **2,983,140** | - | - | **2,983,140** |
| **(C) Fair Value through Other Comprehensive Income** | | | | |
| Investment in Quoted Equity Shares | 42,328,770 | 42,328,770 | - | - |
| Investment in Unquoted Equity Shares | 55,410,668 | - | - | 55,410,668 |
| **Sub-total (C)** | **97,739,438** | **42,328,770** | - | **55,410,668** |
| **Total [Financial Assets]** | **178,787,841** | **42,328,770** | - | **58,393,808** |
| **(D) Financial Liabilities** | | | | |
| **At Amortised Cost** | | | | |
| Trade Payables | 322,600 | - | - | - |
| Debt Securities | - | - | - | - |
| Borrowings (Other than Debt Securities) | - | - | - | - |
| **Sub-total (D)** | **322,600** | - | - | - |
| **Total [Financial Liabilities]** | **322,600** | - | - | - |

(Amount in Rs.)

| Particulars | As at 31st March 2019 | | | |
|---|---|---|---|---|
| | Carrying Amount | Level 1 | Level 2 | Level 3 |
| **(A) Financial Assets** | | | | |
| **At Amortised Cost** | | | | |
| Cash and cash equivalents | 484,408 | - | - | - |
| Bank balances other than cash and cash equivalents | 4,000,000 | - | - | - |
| Other Receivables | 3,742,695 | - | - | - |
| Loans | 42,046,515 | - | - | - |
| Investment in Warrant Certificates | 930 | - | - | - |
| Investment in Subsidiaries | 28,623,906 | - | - | - |
| Other Financial Assets | - | - | - | - |
| **Sub-total (A)** | **78,898,454** | - | - | - |
| **(B) Fair Value through Profit or Loss** | | | | |
| Preference Shares | 2,625,000 | - | - | 2,625,000 |
| **Sub-total (B)** | **2,625,000** | - | - | **2,625,000** |
| **(C) Fair Value through Other Comprehensive Income** | | | | |
| Investment in Unquoted Equity Shares | 112,738,077 | - | - | 112,738,077 |
| **Sub-total (C)** | **112,738,077** | - | - | **112,738,077** |
| **Total [Financial Assets]** | **194,261,531** | - | - | **115,363,077** |
| **(D) Financial Liabilities** | | | | |
| **At Amortised Cost** | | | | |
| Trade Payables | 33,500 | - | - | - |
| Debt Securities | - | - | - | - |
| Borrowings (Other than Debt Securities) | - | - | - | - |
| **Sub-total (D)** | **33,500** | - | - | - |
| **Total [Financial Liabilities]** | **33,500** | - | - | - |

GOKHALE & SATHE MUMBAI FIRM No. 103264W CHARTERED ACCOUNTANTS

B. **Financial Risk Management**

The Company's principal financial liabilities comprise borrowing, trade payble and other unsecred lendings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes Customer Receivable, Investments and cash equivalents that derive directly from its operations.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

b. **Credit Risk**

The company is exposed to credit risk from its operating activities (primarily for receivables).

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

To manage the credit risk, the Company follows a adequate credit control policy.

c. **Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities such as trade payables and other financial liabilities.

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Maturity profile of non-derivative financial liabilities as on 31st March, 2020**

(Amount in i )

| Particulars | Upto 1 year | Between 1 and 5 years | Beyond 5 years | Total |
|---|---|---|---|---|
| Trade Payables | 322,600 | - | - | 322,600 |
| **Total** | **322,600** | - | - | **322,600** |

GOKHALE & SATHE
MUMBAI
FIRM No. 103264W
CHARTERED ACCOUNTANTS

AARTI CORPORATE SERVICES LIMITED

17 Related Party Disclosure under Accounting Standard (Ind AS: 24):

I Following are the Holding/ Subsidiaries/ Associates of the Company

A) Holding Company

Aarti Industries Limited

B) Subsidiaries Company

1. Shanti Intermediates Private Limited
2. Nascent Chemical Industries Ltd

II Following are the Enterprises/Firms over which controlling individuals/Key Management Personnel, of the Company along with their relatives, have significant influence

1. Aarti Biotech Limited
2. Perfect Enviro Control System Ltd.

III Following are the individuals who with their relatives own Directly/indirectly 20% or more voting power in the Company or have significant influence or are Key Management Personnel

| | | |
|---|---|---|
| 1 | Shri Parimal H. Desai | Director |
| 2 | Shri Manoj M. Chheda | Director |

The following transactions were carried out during the year with the related parties in the ordinary course of business

Details relating to parties referred to in items I, II and III above. (Amount in Rs.)

| Sr. No. | Discription of Trasaction | Year | Holding Company | Subsidiary/ Other Companies |
|---|---|---|---|---|
| 1 | Interest Income on the Inter-corporate Deposits placed/unsecured loans | CY | - | 1,218,836 |
| | | PY | - | 1,491,763 |
| 2 | Dividend Received | CY | - | - |
| | | PY | - | 9,200,116 |
| 3 | Interest payable / (Paid) on Debentures | CY | - | - |
| | | PY | - | - |
| 4 | Loans ( Including Interest Receivable) | CY | - | 10,538,520 |
| | | PY | - | 10,491,763 |
| 5 | Investments | CY | - | 28,623,906 |
| | | PY | - | 28,623,906 |

GOKHALE & SATHE * MUMBAI * FIRM No. 103264W CHARTERED ACCOUNTANTS

AARTI CORPORATE SERVICES LIMITED

**Annex I**

**Schedule to the Balance Sheet of a non-deposit taking non-banking financial company**

(Amount in Rs. )

| | Particulars | | |
|---|---|---|---|
| **Liabilities Side:** | | | |
| (1) | **Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:** | **Amount Outstanding** | **Amount Overdue** |
| | (a) Debentures : Secured | - | - |
| | : Unsecured | - | - |
| | (other than falling within the meaning of public deposits*) | | |
| | (b) Deferred Credits | - | - |
| | (c) Term Loans | - | - |
| | (d) Inter-Corporate loans and borrowing | - | - |
| | (e) Commercial Paper | - | - |
| | (f) Other Loans (specify nature) | - | - |
| | * Please see Note 1 below | | |

| | | |
|---|---|---|
| **Assets Side:** | | **Amount Outstanding** |
| (2) | **Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :** | |
| | (a) Secured | - |
| | (b) Unsecured | 37,831,090 |
| (3) | **Break up of Leased Assets and stock on hire and other assets counting towards AFC activities** | |
| | (i) Lease assets including lease rentals under sundry debtors : | |
| | (a) Financial lease | - |
| | (b) Operating lease | - |
| | (ii) Stock on hire including hire charges under sundry debtors: | |
| | (a) Assets on hire | - |
| | (b) Repossessed Assets | - |
| | (iii) Other loans counting towards AFC activities | |
| | (a) Loans where assets have been repossessed | - |
| | (b) Loans other than (a) above | - |
| (4) | **Break-up of Investments :** | |
| | Current Investments : | |
| | 1. Quoted | |
| | (i) Shares : (a) Equity | - |
| | (b) Preference | - |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Others | - |
| | 2. Unquoted | |
| | (i) Shares : (a) Equity | |
| | (b) Preference | |
| | (ii) Debentures and Bonds | |
| | (iii) Units of mutual funds | |
| | (iv) Government Securities | |
| | (v) Others | |

GOKHALE & SATHE MUMBAI FRM No. 103264W CHARTERED ACCOUNTANTS

| | | |
|---|---|---|
| | **Long Term Investments :** | |
| | 1. Quoted | |
| | (i) Shares : (a) Equity | 42,328,770 |
| | (b) Preference | |
| | (ii) Debentures and Bonds | |
| | (iii) Units of mutual funds | |
| | (iv) Government Securities | |
| | (v) Others | |
| | 2. Unquoted | |
| | (i) Shares : (a) Equity | 84,034,574 |
| | (b) Preference | 2,983,140 |
| | (ii) Debentures and Bonds | - |
| | (iii) Units of mutual funds | - |
| | (iv) Government Securities | - |
| | (v) Warrant Certificates | 930 |

**(5) Borrower group-wise classification of assets financed as in (2) and (3) above :**

Please see Note 2 below

| Category | Amount net of provisions | | |
|---|---|---|---|
| | Secured | Unsecured | Total |
| 1. Related Parties ** | | | |
| (a) Subsidiaries | - | 10,000,000 | 10,000,000 |
| (b) Companies in the same group | - | - | - |
| (c) Other related parties | - | - | - |
| 2. Other than related parties | - | 27,831,090 | - |
| **Total** | **-** | **37,831,090** | **10,000,000** |

**(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Please see note 3 below

| Category | Market Value / Break up or fair value or NAV | Book Value (Net of Provisions) |
|---|---|---|
| 1. Related Parties ** | | |
| (a) Subsidiaries | 28,623,906 | 28,623,906 |
| (b) Companies in the same group | - | - |
| (c) Other related parties | - | - |
| 2. Other than related parties | 100,723,508 | 100,723,508 |
| **Total** | **129,347,414** | **129,347,414** |

** As per Accounting Standard of ICAI (Please see Note 3)

**(7) Other Information**

| Particulars | Amount |
|---|---|
| (i) Gross Non-Performing Assets | |
| (a) Related parties | - |
| (b) Other than related parties | - |
| (ii) Net Non-Performing Assets | |
| (a) Related parties | - |
| (b) Other than related parties | - |
| (iii) Assets acquired in satisfaction of debt | - |

1 As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as prescribed in Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

GOKHALE & SATHE MUMBAI FRN No. 103264W CHARTERED ACCOUNTANTS