

**AARTI HPC LIMITED**  
**Balance Sheet as at 31st March, 2020**

(Amount in Rs)

Particulars	Note No.	As at 31st March, 2020
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment		NIL
Capital Work-in-Progress		NIL
Intangible Assets		NIL
Financial Assets		
Investments		NIL
Other Non-Current Assets		NIL
<b>Total Non-Current Assets</b>		NIL
<b>Current Assets</b>		
Inventories		NIL
Financial Assets		
Trade Receivables		NIL
Cash and Cash Equivalents	1	1,25,000
Others Current Financial Assets		NIL
Other Current Assets		NIL
<b>Total Current Assets</b>		1,25,000
<b>TOTAL ASSETS</b>		1,25,000
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	2	50,000
Other Equity	3	(50,000)
<b>Total Equity</b>		-
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Financial Liabilities		
Borrowings		NIL
Other Financial Liabilities	4	75,000
Deferred Tax Liabilities (Net)		NIL
<b>Total Non-Current Liabilities</b>		75,000
<b>Current Liabilities</b>		
Financial Liabilities		
Borrowings		NIL
Trade Payables Due to:		
Micro and Small Enterprises		NIL
Other Than Micro and Small Enterprises		NIL
Other Current Liabilities	5	50,000
Provisions		NIL
<b>Total Current Liabilities</b>		50,000
<b>Total Liabilities</b>		1,25,000
<b>TOTAL EQUITY AND LIABILITIES</b>		1,25,000
<b>Summary of Significant Accounting Policies and other Explanatory Information</b>	<b>1-11</b>	

As per our report of even date  
For **Gokhale & Sathe**  
Chartered Accountants  
Firm Registration Number: 103264W

**Partner**  
Tejas Parikh  
M.No.123215  
Place: Mumbai  
Date: 04.06.2020

For and on behalf of the Board  
**For Aarti HPC Limited**

Sd/-  
**Nikhil P. Desai**  
**Director**

Sd/-  
**Parimal Hasumukhlal Desai**  
**Director**

**AARTI HPC 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
<b>REVENUE</b>		
Revenue from Operations		NIL
Other Income		NIL
<b>Total Revenue</b>		<b>NIL</b>
<b>EXPENSES</b>		
Cost of Materials Consumed (Incl. Packing Material, Fuel, Stores & Spares)		NIL
Purchases of Stock-in-Trade		NIL
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		NIL
Employee Benefits Expense		NIL
Finance Costs		NIL
Depreciation and Amortisation Expenses		NIL
Other Expenses	6	50,000
<b>Total Expenses</b>		<b>50,000</b>
<b>PROFIT BEFORE TAX</b>		<b>(50,000)</b>
<b>TAX EXPENSES</b>		
Current Year Tax		NIL
Earlier Year Tax		NIL
MAT Credit Entitlement		NIL
Deferred Tax		NIL
<b>Total Tax Expenses</b>		<b>NIL</b>
<b>PROFIT AFTER TAX</b>		<b>(50,000)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>NIL</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(50,000)</b>
<b>Earnings Per Equity Share (EPS) (in Rs)</b>	<b>7</b>	
Basic/Diluted		(10.00)
<b>Summary of Significant Accounting Policies and other Explanatory Information</b>	<b>1-11</b>	

As per our report of even date  
For **Gokhale & Sathe**  
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Sd/-  
**Nikhil P. Desai**  
**Director**

Sd/-  
**Parimal Hasmukhlal Desai**  
**Director**

**AARTI HPC LIMITED****Cash Flow Statement for the period ended 31st March, 2020**

(Amount in Rs)

Particulars	31.03.2020
<b><u>A. Cash Flow from Operating Activities</u></b>	
Net Profit / (Loss) before extraordinary items and tax	-50,000
<b><u>Change in current Assets &amp; Liabilities</u></b>	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>	
Other Current liabilities & Provisions	1,25,000
<b>Net Cash inflow/(out flow) from Operating Activites (A)</b>	<b>75,000</b>
<b><u>B. Cash Flow from Investing Activities</u></b>	
Capital WIP	NIL
<b>Net Cash inflow/(outflow) from Investing activities (B)</b>	<b>NIL</b>
<b><u>C. Cash Flow from Financing Activities</u></b>	
Proceeds from issue of equity shares	50,000
Proceeds/(Repayment) of Other Borrowings	NIL
<b>Net Cash inflow/(out flow) from Financing Activites (C)</b>	<b>50,000</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>1,25,000</b>
Cash and Cash equivalent as at the commencement of the period	-
Cash and Cash equivalent as at the End of the period	1,25,000

**Note:**

(i) Cash and Cash equivalent is Cash and Bank Balances as per Balance Sheet.

As per our report of even date

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

**Partner**

Tejas Parikh

M.No.123215

Place: Mumbai

Date: 04.06.2020

For and on behalf of the Board

For Aarti HPC Limited

Sd/-

**Nikhil P. Desai****Director**

Sd/-

**Parimal Has Mukhlal Desai****Director**

**AARTI HPC LIMITED****Statement of Changes in Equity for the year ended 31st March, 2020****A. EQUITY SHARE CAPITAL**

(Amount in Rs)

As at 1st April, 2019	NIL
Changes in equity share capital during the year 2019-20	50,000
<b>As at 31st March, 2020</b>	<b>50,000</b>

**B. OTHER EQUITY**

(Amount in Rs)

Particulars	Other Equity	
	Reserves and Surplus	Total Other Equity
	Retained Earnings	
As at 1st April, 2019	-	-
Profit for the Period	(50,000)	(50,000)
<b>Balance as at 31st March, 2020</b>	<b>(50,000)</b>	<b>(50,000)</b>

As per our report of even date

For **Gokhale & Sathe**

Chartered Accountants

Firm Registration Number: 103264W

For and on behalf of the Board

For Aarti HPC Limited

**Partner**

Tejas Parikh

M.No.123215

Place: Mumbai

Date: 04.06.2020

Sd/-

**Nikhil P. Desai****Director**

Sd/-

**Parimal Hasmukhlal Desai****Director**

## AARTI HHPC LIMITED

### Corporate Information and Significant Accounting Policies:

#### 1 Corporate Information

Aarti HPC Limited ("the Company") has been newly incorporated by Aarti Surfactants Limited as 100% Subsidiary in the month of December 2019, for Manufacturing Opportunities in Home and Personal Care Business. During the year there are no transaction within company.

#### 2 Significant Accounting Policies

##### A Basis of Preparation and Presentation

The financial statements of the Company have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- a. Certain financial assets and liabilities; and
- b. Defined benefit plans, if any

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

##### B Summary of Significant Accounting Policies

##### (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 treated as Current when it is –

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

All other assets are classified as non-current.

A liability is considered as Current, when -

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

The Company classifies all other liabilities as non-current

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### (b) Property, Plant and Equipment (PPE)

There are No Fixed Assets as at Balance Sheet Date

##### (c) Valuation of Inventories

There Are No Transaction During The Year

##### (d) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents consist of balances with banks which are unrestricted for withdrawals and usages.

##### (e) Revenue Recognition

- (i) There Are No Transaction During The Year

##### (f) Depreciation/Amortization/Impairment

There are No Fixed Assets as at Balance Sheet Date

##### (g) Foreign Currency Transactions

There Are No Transaction During The Year

**(h) Lease**

There Are No Transaction During The Year

**(i) Finance Costs**

There Are No Transaction During The Year

**(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 recognised 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.

**(k) Employee Benefits**

There Are no Employee as at Balance Sheet Date

**(l) Taxes on Income**

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in Equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

***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 recognised outside the statement of profit and loss is recognised outside the statement of profit and loss, either in other comprehensive income or directly 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.

***Minimum Alternate Tax (MAT)***

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period i.e., the period for which MAT Credit is allowed to be carried forward. The Company reviews the same at each balance sheet date.

**(m) Financial Instruments**

**A Financial Assets**

**I Initial recognition and measurement**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**II Subsequent Measurement**

**(i) Financial assets measured at Amortised Cost (AC)**

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 the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A financial asset is measured at 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 the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets measured at Fair Value Through Profit or Loss (FVTPL)**

A financial assets, which are not classified in any of the above categories are measured at FVTPL.

**III Equity Investments**

All equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**IV 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).

For Trade Receivables, the Company applies 'simplified approach', which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date, these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 months 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.

**B Financial Liabilities**

**I Initial Recognition and Measurement**

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**II Subsequent Measurement**

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

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

**C Derecognition of Financial Instruments**

The Company derecognises a financial asset, when the contractual rights to the cash flows from the financial asset expires, or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet, when the obligation specified in the contract is discharged or cancelled or expires.

**D Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amount and it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**E Critical Accounting Judgements and Key Sources of Estimation Uncertainty**

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in subsequent financial years.

**F Depreciation/Amortisation and useful lives of Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes. The depreciation/amortisation for future periods is revised if there are significant changes from previous estimates.

**G Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**H Provisions**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



**1 CASH AND CASH EQUIVALENTS:**

Particulars	(Amount in Rs)	
	As at 31st March, 2020	
Cash on hand	NIL	
Bank balance in Current Accounts	1,25,000	
<b>TOTAL</b>	<b>1,25,000</b>	

**2 EQUITY SHARE CAPITAL:**

Particulars	No. of Shares	As at 31st March,
		2020
<b>Authorised Share Capital</b>		
Equity Shares of 10/- each	<b>1,00,000</b>	<b>10,00,000</b>
<b>Issued, Subscribed &amp; Paid up</b>		
Equity Shares of 10/- each fully paid up	<b>5,000</b>	<b>50,000</b>
<b>TOTAL</b>	<b>5,000</b>	<b>50,000</b>

**Reconciliation of the number of Shares outstanding as on 31st March, 2020:**

Particulars	As at 31st March,
	20
<b>Equity Shares at the beginning of the year</b>	<b>NIL</b>
Equity Shares issued during the year	5,000
<b>Equity Shares at the end of the year</b>	<b>5,000</b>

**Details of shareholders holding more than 5% shares:**

Name of the Shareholders	As at 31st March, 2020	
	No. of Shares	% held
Aarti Surfactants Limited	5,000	100

**The details of Equity Shares outstanding during last 5 years:**

Particulars	Financial Year	
	2019-20	2018-19
No. of Equity Shares outstanding	5,000	NA

**3 OTHER EQUITY:**

<b>(Amount in Rs)</b>	
<b>Particulars</b>	<b>As at 31st March, 2020</b>
<b>Profit and Loss Account</b>	
Opening balance	NIL
<b>Addition:</b>	
Net Profit/(Loss) for the year	(50,000)
<b>Closing Balance</b>	<u>(50,000)</u>

<b>(Amount in Rs)</b>	
<b>Particulars</b>	<b>As at 31st March, 2020</b>
<b>4 OTHER FINANCIAL LIABILITIES:</b>	
Loans & Advances from Related Parties	75,000
<b>TOTAL</b>	<u>75,000</u>

**5 OTHER CURRENT LIABILITIES:**

<b>(Amount in Rs)</b>	
<b>Particulars</b>	<b>As at 31st March, 2020</b>
Other Current Liabilities & Provisions	50,000
<b>TOTAL</b>	<u>50,000</u>

**6 OTHER EXPENSES:**

<b>(Amount in Rs)</b>	
<b>Particulars</b>	<b>As at 31st March, 2020</b>
<b>Office Administrative Expenses:</b>	
Rates & Taxes	-
Misc. Expenses/Charges	35,000
Auditor Remuneration	15,000
<b>Total</b>	<u>50,000</u>

**AUDITOR'S REMUNERATION:**

Audit Fees	15,000
<b>TOTAL</b>	<u>15,000</u>

**AARTI HPC LIMITED****7 EARNINGS PER SHARE**

<b>Particulars</b>	<b>For the Year Ended 31st March, 2020</b>
Profit after tax as per statement of profit and loss	-50,000
Weighted average number of equity shares for basic EPS (in No.)	5,000
Weighted average number of equity shares for diluted EPS (in No.)	5,000
Face value of equity shares (in Rs.)	10
Earnings per share Basic (in Rs.)	-10.00
Earnings per share Diluted (in Rs.)	-10.00

- 8** There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.
- 9** In the opinion of the Board, except as otherwise stated, the Current Assets and Loans and Advances have a value on realization at least equal to amounts at which they are stated in the Balance Sheet.

**10 RELATED PARTIES DISCLOSURES**

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

<b>I Name of the Company</b>	<b>Relationship</b>
1 Aarti Surfactants Limited	Holding Company

**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 Nikhil P. Desai	Director
2 Shri Santosh Kakade	Director
3 Shri Parimal H. Desai	

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

**(A) Details relating to parties referred to in item I above.**

(Amount in Rs)

<b>Sr. No.</b>	<b>Description of Transaction</b>	<b>Holding Company (I)</b>
1	Sales of Finished Goods/Sales Income	NIL
2	Purchases of Raw Materials/Finished Goods	NIL
3	Other Expenses	NIL
4	Outstanding items pertaining to the related parties at the balance-Sheet date Receivable/(Payable)	-75,000

## 11 FINANCIAL INSTRUMENTS

## A Fair Value Measurement Hierarchy

(Amount in Rs)

Particulars	As at 31st March, 2020			
	Carrying Amount	Level of Input Used		
		Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
Trade Receivables	-	-	-	-
Cash and Cash Equivalents	1,25,000	-	-	-
Loans	-	-	-	-
<b>At FVTOCI</b>				
Investments	-	-	-	-
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
Borrowings	-	-	-	-
Other Financial Liabilities	75,000	-	-	-
Trade Payables	-	-	-	-
Other Current Liabilities	50,000	-	-	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Input other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs based on unobservable market data.

**B. Financial Risk Management**

The Company's principal financial liabilities comprise Borrowing, trade payable and other unsecured Lendings. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes Customer Receivable, Investment and cash equivalents that derive directly from its operations.

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

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Trade payables	-	-	-	-
Other financial liabilities	75,000	-	-	75,000
<b>Total</b>	<b>75,000</b>	-	-	<b>75,000</b>