



gokhale & sathe

(regd.)

chartered accountants

304/308/309, udyog mandir no 1,
7-c, bhagoji keer marg,
mahim, mumbai 400 016.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AARTI SPECIALITY CHEMICALS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aarti Speciality Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, 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 material accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the 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 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 financial statements.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board Report including Annexures to Board Report and other Shareholder Information but does not include the financial statements and our auditor's report thereon.





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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company 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 judgements 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 financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are





considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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, 2020 ("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 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 on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid managerial remuneration to its director and hence compliance with the provisions of section 197 of the Act is not required.





- h) 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 pending litigations which would impact on 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.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.





- v. The Company has not declared any dividend during the year under the review.
- vi. Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, and proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year, except that the feature of recording audit trail was not enabled at the application layer of the accounting software used for maintaining general ledgers for master fields and database level to log any direct changes for the accounting software used for maintaining the books of accounts.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

For Gokhale & Sathe
Chartered Accountants
Firm Reg. No.: 103264W

Tejas Parikh

Partner

Membership No: 123215

UDIN: 24123215BKBNYY2859

Place: Mumbai

Date: 29 April 2024





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 Speciality Chemicals Limited of even date)

- i. In respect of the Company's Property Plant and Equipment and Intangible Assets:
The Company does not have any Property Plant and Equipment and Intangible Assets during the year hence reporting under clause 3(i)(a),(b),(c) and (d) of the Order is not applicable.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) According to the information and explanation given to us, the Company does not have any inventories during the year hence reporting under clause 3(ii)(a) is not applicable.
 - (b) The Company does not have any working capital facility with any bank or financial institutions on the basis of security of current assets hence reporting under clause 3(ii)(b) is not applicable.
- iii. During the year, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties and hence reporting under clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f) are not applicable.
- iv. The Company has not granted any loans, provided guarantees and securities and hence compliance with provisions of section 185 and 186 of the Act is not applicable.
- v. The Company has not accepted deposits or amounts which are deemed to be deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the At and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- vi. In our opinion and according to the information and explanation given to us, the Company is not required to maintain cost records as required under sub section (1) of Section 148 of the Companies Act, 2013, hence reporting under clause 3(vi) is not applicable.
- vii. In respect of statutory dues:
 - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books





- of account in respect of undisputed statutory dues including the Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Sales Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable have been regularly deposited during the year with appropriate authorities. There were no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- b) There were no arrears in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as at 31 March 2024 on account of dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
- a) The Company has not taken any loans or other borrowings from any lender and hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to information and explanations given to us, the Company has not raised money through term loans during the year and hence the utilisation for the purpose for which they were obtained does not arise.
- d) The Company did not raise any funds during the year and hence provision of clause 3(ix)(d) is not applicable.
- e) The Company does not have any subsidiaries, associates or joint ventures and hence provision of clause 3(ix) (e) is not applicable.
- f) The Company does not have any subsidiaries, associates or joint ventures and hence provision of clause 3(ix)(f) is not applicable.
- x.
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi.
- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.





- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 188 of the Act, wherever applicable, details of such transactions are disclosed in the Financial Statements as required by the applicable accounting standards.
- The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3 (xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. The Company is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence provisions of clause 3 (xiv) (a) and 3 (xiv) (b) are not applicable.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) (b), (c) and (d) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year. The cash loss for current financial year is Rs.0.63 lakhs and for immediately preceding financial year it was Rs. 0.47 lakhs.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial





statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. As per section 135 of the Companies Act, 2013, the Company is not required to undertake any Corporate Social Responsibility (CSR) activities for the period under review, hence reporting under clause 3(xx) (a) & (b) of the Order is not applicable.
- xxi. The Company is not required to prepare consolidated financial statements and hence reporting under clause 3(xxi) of the Order is not applicable.

For Gokhale & Sathe
Chartered Accountants
Firm Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN: 24123215BKBNYY2859
Place: Mumbai
Date: 29 April 2024





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 Speciality Chemicals Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aarti Speciality Chemicals Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial control over financial reporting 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 ICAI.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to financial statements 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with reference to financial statements

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





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inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Gokhale & Sathe
Chartered Accountants
Firm Reg. No.: 103264W

Tejas Parikh
Partner
Membership No: 123215
UDIN: 24123215BKBNYY2859
Place: Mumbai
Date: 29 April 2024



AARTI SPECIALITY CHEMICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2024

Rs in Lakhs

Particulars	Note No.	Rs in Lakhs	
		As at 31st Mar 2024	As at 31st Mar 2023
ASSETS			
Cash and Bank Balances	1	4.75	5.00
Other Current Assets	2	0.28	0.21
Total Current Assets		5.03	5.21
TOTAL ASSETS		5.03	5.21
EQUITIES AND LIABILITIES			
EQUITY			
Equity Share Capital	3	42.00	25.00
Other Equity	4	(37.16)	(36.53)
Total Equity		4.84	(11.53)
Current Liabilities			
Trade Payable	6	0.14	-
Other Current Liabilities	5	0.05	16.74
Total Current Liabilities		0.19	16.74
TOTAL EQUITY AND LIABILITIES		5.03	5.21
Summary of material Accounting Policies and Other Explanatory Information	8		

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

(Signature)
(CA Tejas J Parikh)

Partner

Membership No. 123215

PLACE : MUMBAI

DATE : 29.04.2024



For and on Behalf of the Board of Director

(Signature)

Adhish Patil
(Director)
DIN 2629496

(Signature)

Harit P Shah
(Director)
DIN 00005501

AARTI SPECIALITY CHEMICALS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2024

Rs In Lakhs

Year Ended

31st Mar 2023

(Audited)

Year Ended

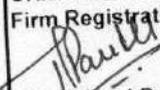
31st Mar 2024

(Audited)

Particulars	Note No.	Year Ended	Year Ended
		31st Mar 2024 (Audited)	31st Mar 2023 (Audited)
I Revenue from operations		-	-
Total Revenue		-	-
Expenses :		0.63	0.47
- Other Expenses		0.63	0.47
II Total expenses	7	(0.63)	(0.47)
Profit before exceptional items and tax (I - II)		-	-
Exceptional Items		(0.63)	(0.47)
Profit Before Tax		-	-
Tax Expenses		-	-
Provision for Taxation - Current Year		-	-
Total Tax Expenses		(0.63)	(0.47)
Profit/(Loss) for the period		-	-
Other comprehensive Income		(0.63)	(0.47)
Total Other Comprehensive Income,net		-	-
Earnings per Equity Shares (EPS) (In Rupees)		(0.24)	(0.19)
Basic/Diluted			

Summary of material Accounting Policies and Other Explanatory Information

8

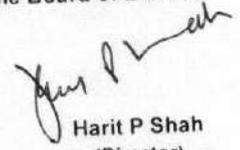
As per our report of even date
For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No.: 103264W

(CA Tejas J Parikh)
Partner
Membership No. 123215
PLACE : MUMBAI
DATE: 29.04.2024



For and on Behalf of the Board of Director



Adhish Patil
(Director)
DIN 2629496



Harit P Shah
(Director)
DIN 00005501

AARTI SPECIALITY CHEMICALS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

Rs in Lakhs

S.No	Particulars	31st Mar 2024	31st Mar 2023
1	Cash Flow from Operating Activities:		
	Net Profit before exceptional items and tax	(0.63)	(0.47)
	ADJUSTMENT FOR:		
	Depreciation		
	Operating Profit before Working Capital Changes	(0.63)	(0.47)
	Increase/(Decrease) in Other current assets	(0.08)	(0.06)
	Increase/(Decrease) in Trade Payables & Other Current Liabilities	(16.55)	(19.48)
	Cash generated from operation	(17.25)	(20.00)
	Less: Direct Taxes Paid	-	-
	Net Cash Flow from Operating Activities	(17.25)	(20.00)
	A		
2	Cash Flow from Investing Activities:		
	Net Cash Flow from Investing Activities		
	B		
3	Cash Flow from Financing Activities:		
	Proceeds from Issue of Shares	17.00	-
	Net Cash Flow from Financing Activities		
	C		
	Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(0.25)	(20.00)
	D		
	Add: Opening Cash and Cash Equivalents	5.00	25.00
	E		
	Closing Cash and Cash Equivalents (D+E)	4.75	5.00

Note : (i) Figures in brackets indicate outflows
(ii) Cash and cash equivalent is cash and bank balance as per balance sheet

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

(Signature)
(CA Tejas J Parikh)
Partner
Membership No. 123215
PLACE : MUMBAI
DATE: 29.04.2024



For and on Behalf of the Board of Director

(Signature)
Adhish Patil
(Director)
DIN 2629496

(Signature)
Harit P Shah
(Director)
DIN 00005501

AARTI SPECIALITY CHEMICALS LIMITED

Note No. 4 Statement of changes in Equity for the year ended 31st March,2024

A. EQUITY SHARE CAPITAL

Particulars	Rs in Lakhs
As at 31st March,2023	25.00
Changes in equity share capital during the period	17.00
As at 31st March,2024	42.00

B. OTHER EQUITY

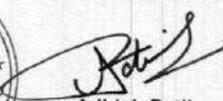
Particulars	Other Equity				Other Comprehensive Income	Total Other Equity
	Reserve and Surplus					
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at 1st April 2023	-	-	-	(36.53)	-	(36.53)
Profit for the Period	-	-	-	(0.63)	-	(0.63)
Balance as at 31st March,2024	-	-	-	(37.16)	-	(37.16)

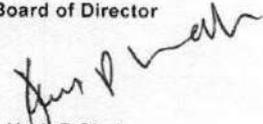
As per our report of even date
For GOKHALE & SATHE
CHARTERED ACCOUNTANTS
Firm Registration No.: 103264W

For and on Behalf of the Board of Director


(CA Tejas J Parikh)
Partner
Membership No. 123215
PLACE : MUMBAI
DATE: 29.04.2024




Adhish Patil
(Director)
DIN 2629496


Haril P Shah
(Director)
DIN 00005501

Financial Statements for the year ended 31st March,2024

AARTI SPECIALITY CHEMICALS LIMITED			
		Rs in Lakhs	
Note No.1 Cash and Cash Equivalents	31st Mar 2024	31st Mar 2023	
	Amount in Rs.	Amount in Rs.	
Current Accounts	4.75	5.00	
TOTAL	4.75	5.00	

Note No.2 Other current assets	31st Mar 2024	31st Mar 2023	
	Amount in Rs.	Amount in Rs.	
Balances with Govt.Authority	0.28	0.21	
TOTAL	0.28	0.21	

AARTI SPECIALITY CHEMICALS LIMITED				
		Rs in Lakhs		
Note No.3 Equity Share Capital				
Particulars	No. of Shares	As at	No. of Shares	As at
		31st Mar 2024		31st Mar 2023
Authorised Share Capital				
Equity shares of Rs. 10/- each	5,00,000	50.00	5,00,000	50.00
Issued, Subscribed & Paid up				
Equity Shares of Rs. 10/- each fully paid up	4,20,000	42.00	2,50,000	25.00
		42.00		25.00

Note No 3.1 : Right Attached To Equity Shares

The Company has only one class of equity shares with voting rights having a par value of Rs.10/- per share. The Company declares and pays dividends in Indian Rupees. Any Interim dividend paid is recognised on the approval by Board of Directors. In the events of liquidation of the Company, the holders of equity shares will be entitle to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

Note No 3.2 : Reconciliation of the number of Shares outstanding during last 3 years

No. of Shares outstanding	No. of Shares	No. of Shares	No. of Shares
Particulars	As At	As At	As At
	31st Mar 2024	31st Mar 2023	31st Mar 2022
Equity Shares at the beginning of the year	2,50,000	2,50,000	2,50,000
Add:- Shares issued during the year	1,70,000	-	-
Equity Shares at the end of the year	4,20,000	2,50,000	2,50,000

Note No 3.3 : Details of shareholders holding more than 5% shares

Name of the shareholders	31st Mar 2024		31st Mar 2023	
	No. of Shares	% held	No. of Shares	% held
Aarti Drugs Limited	4,20,000	100	2,50,000	100

Note No 3.4 : Disclosures of shareholders promoters

Promoter Name	31st Mar 2024		31st Mar 2023		%Change during the year
	No. of Shares	% held	No. of Shares	% held	
Aarti Drugs Limited	4,20,000	100	2,50,000	100	-

Financial Statements for the year ended 31st March,2024

AARTI SPECIALITY CHEMICALS LIMITED			
		Rs in Lakhs	
Note No. 5 Other current liabilities	31st Mar 2024	31st Mar 2023	
Payable to Holding Company		16.69	
Other Payables	0.05	0.05	
TOTAL	0.05	16.74	

		Rs in Lakhs	
Note No. 6 Trade Payable	31st Mar 2024	31st Mar 2023	
Trade payables of Goods, Services & Expenses	0.14	-	
TOTAL	0.14	-	



AARTI SPECIALITY CHEMICALS LIMITED		
NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS		
FOR THE YEAR ENDED 31ST MARCH' 2024		
		Rs in Lakhs
	Year Ended	Year Ended

Note No.7 Other Expenses	31st Mar 2024	31st Mar 2023
Auditors' Remuneration	0.20	0.20
Legal & Professional Charges	0.40	0.24
Miscellaneous Expenses	0.03	0.03
Total	0.63	0.47



AARTI SPECIALITY CHEMICALS LIMITED

Notes to the Financial Statements for the period ended 31st March, 2024

Corporate Information:-

Aarti Speciality Chemicals Limited ("the Company") is a public limited company incorporated on 20th November 2019 and domiciled in India. Its wholly owned subsidiary of Aarti Drugs Limited. The registered office of Company is located Ground Floor, Mahendra Industrial Estate, Plot No-109-D, Road No. 29, Sion (East) Mumbai, Maharashtra-400022 and is incorporated under the provisions of the Companies Act applicable in India. The Company is primarily involved in manufacturing of Specialty Chemicals.

The financial statements are approved for issue by the Company's Board of Directors on 29th April, 2024.

8. 1 Summary of Material Accounting Policies:

(a) Basis of preparation

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

The financial statements are presented in Indian Rupees which is the functional currency of the company

(b) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- (i) **Sale of goods:** Revenue from sale of goods is recognized on dispatch (in respect of exports on the date of the bill of lading or airway bill) which coincides with transfer of significant risks and rewards to customer and is net of trade discounts, sales returns, where applicable and recognized based on the terms of the agreements entered into with the customers.
- (ii) **Interest Income:** Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the



expected life of the financial asset to that asset's net carrying amount on initial recognition.

- (iii) **Dividend income:** Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.
- (iv) **Export benefits:** incentives and licenses Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(c) Property, plant and equipment: -

All items of property, plant and equipment other than Leasehold Land are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes cenvat / value added tax / Goods and Services Tax (GST) eligible for credit / setoff. Estimated cost of dismantling and removing the item and restoring in the site on which it is located.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.

Property, plant and equipment are eliminated from financial statements, on disposal Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Impairment loss indicates the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of the net selling price of an asset or its value in use. Value in use is present value of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life. The company will recognize such losses whenever they arise.

Intangible Assets:-

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any.



Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

Depreciation:-

Depreciable amount of all items of property, plant and equipment other than Leasehold Land is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, plant and equipment are provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively; if appropriate an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

(d) Financial Instrument: -

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

Financial Assets:-

Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.



Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For the purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL /FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognized in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

Financial Assets measured at amortised cost (net of write down for impairment, if any):

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

Financial Assets measured at Fair Value Through Other Comprehensive Income ("FVTOCI"):

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

Financial Assets measured at Fair Value Through Profit or Loss ("FVTPL"):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.



Investment in Equity Instruments:

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

Investment in Debt Instruments:

A debt instrument is measured at amortised cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

(e) Inventories: -

Raw materials and packing materials are valued at lower of cost and the net realisable value. The cost of raw materials and packing materials includes all costs of purchase, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to its present location and condition includes customs duty. Finished products including traded goods and work-in-progress are valued at lower of cost and net realizable value. Cost is arrived on moving stock on FIFO basis.

The cost of finished goods & work in progress have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other related cost incurred in bringing the inventories to their present condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Slow and non-moving material, obsolesces, defective inventory valued at net realisable value.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.



(f) Foreign Currency Transactions: -

Foreign currency transactions are accounted at the rates that approximates the actual rate prevailing at the date of transaction. The exchange rate differences arising out of such transactions are dealt with in the Profit and Loss Account.

(g) Research and Development: -

Revenue Expenditure on Research and Development is charged to the Profit and Loss Account for the year. Capital Expenditure on Research and Development is included as part of fixed assets and depreciation is provided on the same basis as for other fixed assets.

(h) Income Taxes: -

Income tax expense comprises of current tax expense and deferred tax expenses. Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961 of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

Deferred tax:

Deferred tax is recognized using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences.

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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed



(i) Borrowing Costs: -

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

8.2 Provision and Contingent Liabilities

Provisions:-

Provisions for legal claims, chargebacks and sales returns are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingencies:-

Disclosure of contingent liabilities is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosures are made.

There is no contingent liability as on 31st March, 2023.

8.3 Related Party Disclosure under IND AS 24

A Name and Relationship of the Related Parties:

3(a) Enterprise that directly or indirectly through one or more intermediaries control

1. Aarti Drugs Limited.(Holding Company)

B Transaction with the related parties during the year:

Transaction with Related Parties	Enterprise that directly or indirectly through one or more intermediaries control	
	C.Y. (Rs in Lakhs)	P.Y. (Rs in Lakhs)
Sales and Income from Operations	0	0
Payment on our behalf	00.00	00.53
Payment made	17.00	20.00
Borrowing Cost	0.00	0.00
Outstanding Payable	00.00	16.69
Outstanding Receivable	0.00	0.00



8.4 Auditors' remuneration includes

(Rs. In Lakhs)

Particulars	Current Year	Previous Year
Statutory Audit	0.20	0.20
Other Audit Services	0.00	0.00
Certification	0.00	0.00
Total	0.20	0.20

8.5 Earnings Per Share:

(Amount in Rs in Lakhs, except share data)

Particulars	Current Year	Previous Year
Net Profit available for Equity Shareholders	(00.63)	(00.47)
Weighted Number of Equity Shares (Nos.)	420,000	250,000
Basic & Diluted EPS (after extraordinary items) (Rs.)	(0.24)	(0.19)
Nominal value per share (Rs.)	10	10

8.6 Financial Ratios

Particular	Numerator	Denominator	2023-2024	2022-2023	% Variance	Reason
a) Current Ratio	Current Assets	Current Liabilities	5.266	0.012	-42756%	Due to Payables
b) Return on equity ratio (%)	Net Profit after taxes	Average shareholder's Equity	NA	NA		
c) Inventory turnover ratio	COGS	Average Inventory	NA	NA		
d) Trade receivables turnover ratio	Net credit sales	Average account receivables	NA	NA		
e) Trade payables turnover ratio	Net credit purchases	Average trade payables	NA	NA		
f) Net capital turnover ratio	Net sales	Working capital	NA	NA		
g) Net profit ratio (%)	Net Profit	Net Sales	NA	NA		
h) Return on capital employed (%)	EBIT	Capital Employed	NA	NA		
i) Return on investment	Income from Invested fund	Average Investment	NA	NA		

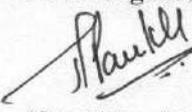


8.7 Additional regulatory information

- a) To the best of the Company's knowledge and information, there are no transactions which are not recorded in the books of account or have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.
- b) To the best of the Company's knowledge and information, the company does not deal with the struck off companies.
- c) The Company does not have loan hence registration of charges with Registrar of Companies (RoC) is not required.
- d) The company is not declared as willful defaulter by any bank or Financial Institution or any lender.
- e) The Company has not borrowed any funds hence question of utilization does not arise.
- f) The Company does not hold any benami property and no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- g) The Company does not trade or invest in crypto currency.

AS PER OUR REPORT OF EVEN DATE

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

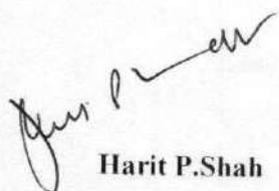

(CA Tejas J Parikh)

Partner
Membership No. 123215
Place: Mumbai
Date : 29th April, 2024.



FOR AND ON BEHALF OF THE BOARD OF DIRECTOR


Adhish P. Patil
(Director)
DIN: 2629496


Harit P. Shah
(Director)
DIN: 00005501