



SOLUTIONS FOR THE NEW WORLD

ARYA COMMUNICATIONS & ELECTRONICS SERVICES PVT.LTD.

ANNUAL REPORT 2020-21

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Arya Communications and Electronics Services Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Arya Communications and Electronics Services Private Limited** ('the Company') which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, the Statement of Cash Flows for the year then ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information (together referred to as 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Director's is responsible for the other information. The other information obtained at the date of this auditor's report is Director's report including annexures thereon 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 identified above when it becomes available 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 on the other information obtained prior to the date of this report, 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.





N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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.





N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

- 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.

Other Matter

Due to the COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the remote access and necessary records made available by the Company through digital medium.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by sub-section (3) of Section 143 of the Act, we report that:
 - a. Since Company is private limited company, provisions of section 197 of the Act read with Schedule V to the Act in respect of managerial remuneration are not applicable. Therefore, reporting as required by Section 197(16) of the Act is not applicable to the Company.
 - b. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - c. 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.
 - d. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and proper returns adequate for the purpose of our audit have been received from branches not visited by us.
 - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - f. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B" which expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

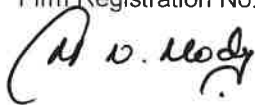


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 26.1 of the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149



Milan Mody
Partner
Membership No: 103286
UDIN: 21103286AAAAFJ1426



Place: Mumbai
Date: 10th August 2021

N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

Annexure A to the Independent Auditor's Report for the year ended 31st March 2021

The Annexure referred to in paragraph 1 under the heading 'Report on other legal and regulatory requirements' of our Independent Auditor's Report to the members of **Arya Communications and Electronics Services Private Limited** ('the Company') on financial statements for the year ended 31st March 2021. We report that:

- i. In respect of the Company's fixed assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - All the fixed assets have been physically verified during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - According to the information and explanation given to us, the Company does not own any immovable property. Therefore, clause (i) (c) of para 3 of the Order is not applicable to the Company.

- ii. In respect of its inventories:

The Company conducted physical verification of inventories (other than material in transit) during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material. Materials in transit as at year end has been confirmed based on subsequent receipts.

- iii. In respect of loans granted:

The Company has granted interest bearing unsecured loan to a Company during the year, which are listed in the register maintained under section 189 of the Companies Act, 2013. The details are as per table below:

(Amount in Rs.)

Particulars	Nature	Opening balance *	Amount given	Amount repaid	Closing balance*
Company in which Directors are common	Loan- Interest bearing	5,000,000	2,500,000	7,500,000	Nil

* Excluding interest

- In respect of interest bearing loan, as per opinion and considering the information and explanations given to us, terms and conditions for loans are prima facie not prejudicial to the interest of the Company.
 - In respect of loan granted, in absence of repayment terms, the principal and the interest amounts are considered as payable on demand. As on 31st March 2021, both principal and interest are repaid.
 - In respect of loan granted, there are no overdue amounts in respect of principal and interest for the year ended 31st March 2021.
- iv. According to the information and explanation given to us, in respect of loans and investments, the Company has complied with section 185 and 186 of the Act as applicable. The Company has not given any guarantees or provided any security which attracts the provisions of section 185 and 186 of the Act, therefore question of our comment does not arise.
- v. In our opinion and according to the explanations given to us, the Company has not accepted any deposits. Therefore, question of reporting compliance with directives issued by the Reserve Bank



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditor's report (continued)

of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder does not arise. We are informed that no order relating to the Company has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vi. According to the information and explanations given, since Company is engaged in trading activity, provisions of section 148 (1) of the Act do not apply to the Company. Therefore, in our opinion, no comment on maintenance of cost records under section 148 (1) is required.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company in respect of amounts deducted / accrued in the books of account, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues, as applicable to the Company, during the year with the appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March, 2021 for a period of more than six months from the date they became payable.

(b) According to the records of the Company and information and explanations given to us, there are no dues in respect of income tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.
- viii. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans.
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither noticed nor have been informed by the management, any incidence of fraud by the Company or on the Company by its employees/officers.
- xi. Section 197 of the Act relating to payment of managerial remuneration is not applicable to the Company. Therefore, the question of ensuring compliance with section 197 read with Schedule V of the Act does not arise.
- xii. The Company is not a Nidhi Company and therefore, clause (xii) of para 3 of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in financial statements as required by the applicable accounting standard. Further, Section 177 of the Act is not applicable to the Company. Therefore, question of ensuring compliance with Sections 177 does not arise.
- xiv. The Company has not made any preferential allotment and private placement of shares or fully or partially convertible debentures during the year. Therefore, question of ensuring compliance with section 42 of the Act does not arise.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

- xv. According to the information and explanations given to us and on the basis of our examination of records, the Company has not entered into any non-cash transactions with directors or holding or subsidiary or associate company or any person connected with them and therefore, clause (xv) of para 3 the Order is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N. A. Shah Associates LLP
Chartered Accountants
Firm Registration No. 116560W / W100149

M. Mody



Milan Mody
Partner
Membership No: 103286
UDIN: 21103286AAAAFJ1426

Place: Mumbai
Date: 10th August 2021


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

Annexure B to the Independent Auditor's Report for the year ended 31st March 2021
[Referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date]

Report on the Internal Financial Controls under section 143(3)(i) of the Companies Act, 2013

Opinion

We have audited the internal financial controls over financial reporting of **Arya Communications and Electronics Services Private Limited** ("the Company"), as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year then ended.

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 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

Basis of Opinion

We conducted our audit in accordance with section 143(3)(i) of the Act. Our responsibilities under these section are further described in the Auditor's Responsibility section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 (the 'Guidance Note'), issued by 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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





N. A. SHAH ASSOCIATES LLP

Chartered Accountants

Independent Auditor's report (continued)

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.

For N. A. Shah Associates LLP

Chartered Accountants

Firm's registration number: 116560W / W100149

Milan Mody

Partner

Membership No: 103286

UDIN: 21103286AAAAFJ1426



Place: Mumbai

Date: 10th August 2021



Arya Communications & Electronics Services Private Limited

CIN: U72100MH1988PTC046320

Balance Sheet as at 31st March 2021

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	4,000,000	4,000,000
Reserves and surplus	3	365,963,400	354,715,696
		369,963,400	358,715,696
Non-current liabilities			
Long-term borrowings	4	11,906,788	1,461,379
		11,906,788	1,461,379
Current liabilities			
Short-term borrowings	5	5,847,653	57,963,025
Trade payables	6		
- Total outstanding dues of micro enterprises and small enterprises		455,447	1,554,987
- Total outstanding dues of trade payables other than micro enterprises and small enterprises		365,945,117	320,473,727
Other current liabilities	7	48,485,968	34,958,161
Short-term provisions	8	3,119,306	9,784,598
		423,853,491	424,734,498
Total		805,723,680	784,911,572

ASSETS

Non-current assets

Property, plant and equipment & Intangible assets

- Tangible assets	9	16,518,956	22,388,187
- Intangible assets	9	324,214	35,100
Non-current investments	10	10,025,000	10,025,000
Deferred tax asset (net)	27	12,029,446	10,147,056
Long-term loans and advances	11	83,616,093	80,383,224
Other non-current assets	12	24,455,943	19,431,676
		146,969,653	142,410,243

Current assets

Inventories	13	270,153,652	235,399,994
Trade receivables	14	306,687,024	342,165,783
Cash and bank balances	15	14,829,068	17,210,154
Short-term loans and advances	16	65,002,422	40,655,698
Other current assets	17	2,081,862	7,069,701
		658,754,028	642,501,330
Total		805,723,680	784,911,572

Significant accounting policies

Notes

1

2 to 39

Notes referred to herein above form an integral part of financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Dated: 10th August 2021



For and on behalf of the Board of directors of

Arya Communications & Electronics Services Private Limited

D.K. Kotak

Director

DIN: 00013988

Place: Mumbai

Dated: 10 AUG 2021

S.K. Parikh

Director

DIN: 00030568

Place: Mumbai

Dated: 10 AUG 2021



Arya Communications & Electronics Services Private Limited
CIN: U72100MH1988PTC046320
Statement of Profit and Loss for the year ended on 31st March 2021

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
Revenue from operations	18	1,334,074,564	1,401,095,295
Other income	19	2,686,469	3,632,693
Total revenue		1,336,761,033	1,404,727,988
Expenses			
Purchases of stock-in-trade	35	1,006,833,536	1,108,282,058
Changes in inventories of stock-in-trade	20	(36,866,059)	(127,141,414)
Direct expenses	21	15,310,716	13,163,774
Employee benefit expenses	22	186,621,719	218,276,116
Administrative and selling expenses	23	123,744,045	142,132,909
Finance costs	24	17,363,093	12,117,782
Depreciation and amortization expense	9	7,338,669	8,051,697
Total expenses		1,320,345,719	1,374,882,922
Profit before tax		16,415,314	29,845,066
Tax Expenses			
- Current tax		7,050,000	10,300,000
- Deferred tax charge / (credit)		(1,882,390)	(1,092,932)
- (Excess) / short provision for current & deferred tax for earlier years (net)		-	(101,041)
Profit / (loss) for the year		11,247,704	20,739,039
Earnings per equity share:			
Basic & Diluted (Face Value of Rs. 100 each)	28	281.19	518.48

Significant accounting policies

Notes

1
2 to 39

Notes referred to herein above form an integral part of financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Dated: 10th August 2021



For and on behalf of the Board of directors of

Arya Communications & Electronics Services Private Limited

D.K. Kotak

Director

DIN: 00013988

Place: Mumbai

Dated: 10 AUG 2021

S.K. Parikh

Director

DIN: 00030568

Place: Mumbai

Dated: 10 AUG 2021



Arya Communications & Electronics Services Private Limited
CIN: U72100MH1988PTC046320
Cash Flow Statement for the year ended 31st March 2021

(Amount in Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation	16,415,314	29,845,066
Adjustments for :		
Depreciation	7,338,669	8,051,697
(Reversal) / Provision for doubtful trade receivables (net)	2,336,260	6,120,438
Finance cost	17,363,093	12,117,782
(Gain) / Loss on sale/discard of fixed assets(net)	(189,853)	(535,572)
Unrealised exchange (gain) / loss	2,097,888	2,740,697
Provision for slow moving inventory	2,112,400	-
Provision for earnest money deposit	719,862	713,344
Interest received (including interest on income tax refund)	(2,448,181)	(2,866,747)
Dividend income	-	(4,375)
Operating profit / (loss) before working capital changes	45,745,452	56,182,330
Adjustments for: (includes current & non current items)		
(Increase) / Decrease in trade receivables	32,976,625	62,530,877
(Increase) / Decrease in loans & advances	(30,013,529)	(34,096,728)
(Increase) / Decrease in inventories	(36,866,059)	(127,141,415)
Increase / (Decrease) in trade payables & other liabilities	53,687,487	35,811,377
Increase / (Decrease) in provisions	(6,665,292)	7,840,393
Cash generated from operations	58,864,684	1,126,834
Direct taxes (paid) / refund (net)	(7,612,125)	(14,834,046)
Net cash flow from / (used) operating activities:	51,252,559	(13,707,212)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets (including CWIP & capital advance)	(1,801,498)	(1,405,128)
Proceeds from sale of scrap of fixed assets	232,799	919,000
(Investment in) / refund of fixed deposits with bank (other than cash equivalent)	(8,969,388)	10,198,590
Refund received of / (payment of) loan given to related party	7,500,000	(2,500,000)
Interest received	2,956,323	2,531,869
Less: Taxes paid on above	(744,106)	(637,271)
Dividend received	-	4,375
Net cash flow from / (used) in investment activities:	(825,870)	9,111,435





Arya Communications & Electronics Services Private Limited
CIN: U72100MH1988PTC046320
Cash Flow Statement for the year ended 31st March 2021

(Amount in Rs.)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Vehicle loan repayment	(762,539)	(702,414)
Working Capital Term Loan Taken	13,487,700	-
(Decrease) / Increase in cash credit facilities & borrowings (net)	(52,115,372)	18,466,619
Finance cost paid	(17,363,093)	(12,117,782)
Net cash flow from / (used) in financing activities :	(56,753,304)	5,646,423
Net increase / (decrease) in cash and cash equivalents:	(6,326,615)	1,050,646
Cash & cash equivalents at opening	10,026,315	8,942,870
Cash & cash equivalents at closing	3,700,108	10,026,315
Unrealised exchange (gain) / loss	(408)	(32,799)
Net increase / (decrease) in cash and cash equivalents:	(6,326,615)	1,050,646

Significant accounting policies

1

Notes

2 to 39

Notes referred to herein above form an integral part of financial statements

As per our report of even date attached

For N. A. Shah Associates LLP

Chartered Accountants

Firm Registration No. 116560W / W100149

Milan Mody

Partner

Membership No.: 103286

Place: Mumbai

Dated: 10th August 2021



**For and on behalf of the Board of directors of
Arya Communications &**

D.K. Kotak

Director

DIN: 00013988

Place : Mumbai

Dated : 10 AUG 2021

S.K. Parikh

Director

DIN: 00030568

Place : Mumbai

Dated : 10 AUG 2021



Background:

Arya Communications & Electronics Services Private Limited ('the Company') is engaged in the business of trading, commission agent and rendering of services. The Company has three divisions i.e., Securecom, Arya Water Technology (AWT) and Arya Infoystems.

1. Significant Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013.

1.2 Presentation and disclosure of financial statements

All assets and liabilities have been classified as current & non-current as per Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and time between acquisition of assets for sale of goods / rendering of services and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current / non-current classification of assets and liabilities 12 months have been considered as normal operating cycle.

1.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the application of accounting policies, reported balance of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and the reported amounts of income and expenses during the reported period. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.4 Property plant & equipment (Tangible asset) & Depreciation

- a) Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and where applicable accumulated impairment losses. Gross carrying amount of all property, plant and equipment are measured using cost model.
- b) Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset (if applicable).
- c) Parts (major components) of an item of property, plant and equipment having different useful lives are accounted as separate items of property, plant and equipment.
- d) Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet date.





- e) Property, plant and equipment are eliminated from financial statement either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in case of 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.
- f) Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on written down value (WDV) method over their useful life which is in consonance with useful life mentioned in Schedule II of the Companies Act, 2013 except certain class of assets specified in table (i) below, based on internal assessment estimated by the management of the Company, where the useful life is lower than as mentioned in Schedule II.
- i. Assets whose depreciation rate / useful life are lower than as mentioned in Schedule II.

Asset	Depreciation
Individual assets whose cost does not exceed Rs. 5,000/-	Fully depreciated in the year of capitalization

- ii. The depreciation rate / useful life of the property, plant and equipment not covered in table (i) above are as follows:

Assets	Useful life (in years)
Plant & equipment	15
Computers	3
Servers	6
Furniture & fittings	10
Motor vehicles	8
Office equipment	5
Leasehold improvement*	5

* Leasehold improvement is amortized on SLM basis.

- g) In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, up to the date on which such asset has been sold or discarded.
- h) Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

1.5 Intangible assets & Amortization

- a) Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the company and the cost of assets can be measured reliably. Intangible assets are stated at cost of acquisition / development less accumulated amortization and accumulated impairment loss if any.
- b) Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

