



SOLUTIONS FOR THE NEW WORLD

ARYA COMMUNICATIONS & ELECTRONICS SERVICES PVT.LTD.

ANNUAL REPORT 2019-20

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 2020, 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 2020, 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.

Emphasis of Matter

Trade receivables include Rs. 29,970,115 which is overdue for more than 365 days in respect of one customer. In the opinion of management, these dues are fully recoverable as Company has delivered the goods as per the terms of contract and completed the installation activity in current year. Delays in receipt is due to the fact that the customer is a government agency which generally has long internal approval process. The Company has made provision of Rs. 2,182,331 against such dues based on age of debt, judgement and other criteria. Our opinion is not qualified in this matter.

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 Matters

- a) 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.
- b) The Company conducted physical verification of major part of inventories during the year and balance subsequent to year end. We have relied on the physical verification of inventories carried out by the management and performed alternate procedures to audit the existence of inventory as at year end.

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. 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.
3. As required by sub-section (3) of Section 143 of the Act, 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 purpose 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 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.
 - d. 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).
 - e. On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020, from being appointed as a director in terms of Section 164(2) of the Act.



N. A. SHAH ASSOCIATES LLP

Chartered Accountants

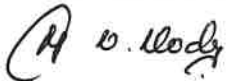
Independent Auditor's report (continued)

- f. 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.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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: 20103286AA-ADB4282



Place: Mumbai

Date: 07th July 2020

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 2020

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 2020. We report that:

i. In respect of the Company's fixed assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. Due to Covid-19 related lockdown, all the fixed assets have been physically verified subsequent to year end. 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.
- c. 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 major part of inventories (other than material in transit) during the year and balance subsequent to year end. 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	Nil	7,500,000

* Excluding interest

- a. 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.
 - b. In respect of loan granted, in absence of repayment terms, the principal and the interest amount are considered as payable on demand or as maybe mutually agreed between the parties. As informed to us, principal and interest was not demanded and as a result of which, question of our comment on regularity of repayment of principal and payment of interest does not arise.
 - c. In respect of loan granted, there are no overdue amounts in respect of principal and interest for the year ended 31st March 2020.
- 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.



N. A. SHAH ASSOCIATES LLP
Chartered Accountants

Independent Auditor's report (continued)

- 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 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, 2020 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. The Company has not borrowed any money from financial institutions, government or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
- 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.

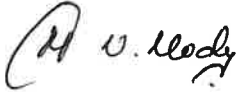


N. A. SHAH ASSOCIATES LLP
Chartered Accountants

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



Milan Mody
Partner
Membership No: 103286
UDIN: 20103286AAAADB4282

Place: Mumbai
Date: 07th July 2020

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 2020
[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, 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

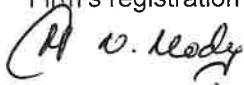
Inherent Limitations of Internal Financial Controls over Financial Reporting

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: 20103286AAAADB4282



Place: Mumbai

Date: 07th July 2020



Arya Communications & Electronics Services Private Limited

CIN: U72100MH1988PTC046320

Balance Sheet as at 31st March 2020

(Amount in Rs.)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	40,00,000	40,00,000
Reserves and surplus	3	35,47,15,695	33,39,76,657
		35,87,15,695	33,79,76,657
Non-current liabilities			
Long-term borrowings	4	14,61,379	22,57,385
		14,61,379	22,57,385
Current liabilities			
Short-term borrowings	5	5,79,63,025	3,87,00,399
Trade payables	6		
- Total outstanding dues of micro enterprises and small enterprises		15,54,987	2,56,747
- Total outstanding dues of trade payables other than micro enterprises and small enterprises		32,04,73,727	27,01,97,158
Other current liabilities	7	3,49,58,161	4,86,50,512
Short-term provisions	8	97,84,598	19,44,206
		42,47,34,498	35,97,49,022
Total		78,49,11,572	69,99,83,064
ASSETS			
Non-current assets			
Property, plant and equipment & Intangible assets			
- Tangible assets	9	2,23,88,187	2,93,62,376
- Intangible assets	9	35,100	90,909
Non-current investments	10	1,00,25,000	1,00,25,000
Deferred tax asset (net)	29	1,01,47,055	92,78,274
Long-term loans and advances	11	8,03,83,224	6,25,40,025
Other non-current assets	12	1,94,31,676	1,36,70,190
		14,24,10,242	12,49,66,774
Current assets			
Inventories	13	23,53,99,994	10,82,58,579
Trade receivables	14	34,21,65,783	41,08,17,097
Cash and bank balances	15	1,72,10,154	3,20,86,785
Short-term loans and advances	16	4,06,55,698	1,81,14,133
Other current assets	17	70,69,701	57,39,696
		64,25,01,330	57,50,16,290
Total		78,49,11,572	69,99,83,064

Significant accounting policies

Notes

1

2 to 40

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



For and on behalf of the Board of directors of

Arya Communications & Electronics Services Private Limited

K.B. Kotak

Director

DIN: 00010788

D.K. Kotak

Director

DIN: 00013988

Place: Mumbai

Dated: 07 JUL 2020

07 JUL 2020

07 JUL 2020



Arya Communications & Electronics Services Private Limited
CIN: U72100MH1988PTC046320
Statement of Profit and Loss for the year ended on 31st March 2020

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
Revenue from operations	18	1,401,095,295	1,494,057,757
Other income	19	3,632,693	3,236,245
Total revenue		1,404,727,988	1,497,294,002
Expenses			
Purchases of stock-in-trade	37	1,108,282,058	1,001,846,810
Changes in inventories of stock-in-trade	20	(127,141,414)	44,820,952
Direct expenses	21	13,163,774	15,217,931
Employee benefit expenses	22	218,276,116	205,580,546
Administrative and selling expenses	23	142,132,909	136,792,026
Finance costs	24	12,117,782	5,082,748
Depreciation and amortization expense	9	8,051,697	7,259,355
Total expenses		1,374,882,922	1,416,600,368
Profit before tax		29,845,066	80,693,634
Tax Expenses			
- Current tax		10,300,000	25,400,000
- Deferred tax charge / (credit)		(1,092,932)	(2,727,235)
- (Excess) / short provision for current & deferred tax for earlier years (net)		(101,041)	(257,812)
Profit / (loss) for the year		20,739,039	58,278,681
Earnings per equity share:			
Basic & Diluted (Face Value of Rs. 100 each)	30	518.48	1,456.97

Significant accounting policies

Notes

1

2 to 40

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: **07 JUL 2020**

For and on behalf of the Board of directors of

Arya Communications & Electronics Services Private Limited

K.B. Kotak

Director

DIN: 00010788

07 JUL 2020

D.K. Kotak

Director

DIN: 00013988

07 JUL 2020



Arya Communications & Electronics Services Private Limited
CIN: U72100MH1988PTC046320
Cash Flow Statement for the year ended 31st March 2020

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation	29,845,066	80,693,634
Adjustments for :		
Depreciation	8,051,697	7,259,355
Provision for doubtful trade receivables (net) written back	6,120,438	6,464,034
Finance charges	12,117,782	5,082,748
(Gain) / Loss on sale/discard of fixed assets(net)	(535,572)	(468,499)
Unrealised exchange (gain) / loss	2,740,697	(1,624,056)
Provision for slow moving inventory add / (written back)	-	1,873,295
Provision for earnest money deposit	713,344	27,563
Interest received (including interest on income tax refund)	(2,866,747)	(2,684,145)
Dividend income	(4,375)	(4,375)
Operating profit / (loss) before working capital changes	56,182,330	96,619,554
Adjustments for: (includes current & non current items)		
(Increase) / Decrease in trade receivables	62,530,877	(9,796,591)
(Increase) / Decrease in loans & advances	(34,096,728)	(19,111,530)
(Increase) / Decrease in inventories	(127,141,415)	44,820,953
Increase / (Decrease) in trade payables & other liabilities	35,811,377	(96,641,947)
Increase / (Decrease) in provisions	7,840,393	(813,706)
Cash generated from operations	1,126,834	15,076,733
Direct taxes (paid) / refund (net)	(14,834,046)	(30,178,021)
Net cash flow from / (used) operating activities:	(13,707,212)	(15,101,288)
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets (including CWIP & capital advance)	(1,405,128)	(19,874,739)
Proceeds from sale of scrap of fixed assets	919,000	900,282
(Investment in) / refund of fixed deposits with bank (other than cash equivalent)	10,198,590	16,784,530
Loan given to related party	(2,500,000)	(5,000,000)
Interest received (including interest on income tax refund in previous year)	2,531,869	3,246,381
Less: Taxes paid on above	(637,271)	(903,143)
Investment made in preference shares	-	(10,000,000)
Dividend received	4,375	4,375
Net cash flow from / (used) in investment activities:	9,111,435	(14,842,314)





Arya Communications & Electronics Services Private Limited
CIN: U72100MH1988PTC046320
Cash Flow Statement for the year ended 31st March 2020

(Amount in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
C. CASH FLOW FROM FINANCING ACTIVITIES		
Vehicle loan repayment	(702,414)	(647,039)
(Decrease) / Increase in cash credit facilities & borrowings (net)	18,466,619	18,574,906
Repayment of unsecured loans (related party)	-	(1,473,500)
Interest paid	(12,117,782)	(5,082,748)
Net cash flow from / (used) in financing activities :	5,646,423	11,371,619
Net increase / (decrease) in cash and cash equivalents:	1,050,646	(18,571,983)
Cash & cash equivalents at opening	8,942,870	27,504,858
Cash & cash equivalents at closing	10,026,315	8,942,870
Unrealised exchange (gain) / loss	(32,799)	(9,995)
Net increase / (decrease) in cash and cash equivalents:	1,050,646	(18,571,983)

Significant accounting policies 1
Notes 2 to 40
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: 07 JUL 2020



For and on behalf of the Board of directors of
Arya Communications & Electronics Services
Private Limited

K.B. Kotak
Director
DIN: 00010788

D.K. Kotak
Director
DIN: 00013988

07 JUL 2020

07 JUL 2020



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 Technologies (AWT) and Arya Infosystems.

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)

- 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.





Arya Communications & Electronics Services Private Limited

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Notes to financial statements for the year ended 31st March 2020

- 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

- 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.





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Notes to financial statements for the year ended 31st March 2020

c) Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

d) Amortization of intangible assets

Asset	Estimated useful life amortized on SLM basis
Software	3 years

e) Amortization methods and useful lives are reviewed at each financial year end and adjusted prospectively.

f) In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

1.6 Impairment of assets:

The carrying amounts of assets are reviewed at each Balance Sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognized impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognized are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation/ amortization had no impairment loss been recognized in earlier years.

1.7 Inventories

Inventories are valued at lower of cost or net realizable value after providing for cost of obsolescence whenever considered necessary. The Cost comprises of cost of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. The Cost of inventory is determined on the basis of FIFO method.

1.8 Investments

Investments are classified as long-term investments.

Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognize a decline, other than temporary, on an individual investment basis.

The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

In determining the holding cost of investment and the gain or loss on sale of investments, the 'weighted average cost' method is followed.





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Notes to financial statements for the year ended 31st March 2020

1.9 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.

- a) Sales of goods are recognized when significant risks and regards of ownership of the goods have passed to the buyer that generally coincides with delivery and are recorded net of goods and services tax, rebates and trade discounts and sales returns.
 - b) In cases, where material & installation orders are separately given by the customers, revenue for sale of goods is recognized on the basis of acceptance of goods by the customers.
 - c) Service income
 - i. From annual maintenance contracts, revenue is recognized over the period of the contract on pro-rata basis and as and when services are rendered as per the terms of the contract.
 - ii. Agency commission income is recognized under the accrual basis, based on information available with the Company, except where there is significant uncertainty of recovery.
 - iii. In respect of other services, the revenue is recognized as and when the service is completed.
- Incomes at sr. no. c) are accounted net of goods and services tax.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
 - e) Dividend income on investment is accounted for in the year in which right to receive the payment is established.
 - f) Rental income on assets given under operating lease agreements is recognized on a straight line basis over the lease term of respective lease agreement. It is accounted net of service tax or goods and services tax.

1.10 Foreign currency transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- b) As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.
- c) Exchange difference arising on settlement or translation of foreign currency monetary items is recognized as income or expense in the year in which they arise.

1.11 Employee benefits

- a) Short term employee benefit

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.





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Notes to financial statements for the year ended 31st March 2020

As per the Company's policy privileged leave credit accumulated by the employees can neither be carried forward to the next year nor encashed. Accordingly, no provision is required to be made as at year end.

- b) Post-employment benefits and other long-term benefits
- i. Defined contribution plan

The defined contribution plan is post-employment benefit plan under which Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund Employee State Insurance Scheme, and Employee Pension Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

- ii. Defined benefit plan & other long term benefits

The Company has defined benefit plans comprising of gratuity and other long term benefits in the form of sick leave benefits. Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations. Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss as income or expense.

1.12 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

1.13 Operating lease

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease. Rental expenses on assets obtained under operating lease arrangements are recognized on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement.

1.14 Taxes on income

Tax expenses comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.





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Notes to financial statements for the year ended 31st March 2020

Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date.

1.15 Cash & cash equivalents

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

1.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.17 Provisions and contingent liabilities

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except (a) retirement benefit (b) dismantling / decommissioning liabilities that are recognized as cost of Property, Plant and Equipment) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

A Contingent asset is neither recognized nor disclosed in the financial statements.

1.18 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to the equity shareholders with the weighted average number of shares outstanding during the year and are adjusted for the effects of all dilutive potential equity shares.





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Notes to financial statements for the year ended 31st March 2020

1.19 Segment reporting

The segments have been identified taking into account the nature of the products and services, geographical locations, nature of risks and returns, internal organization structure and internal financial reporting system. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as whole.

1.20 Dividend distribution

Final dividends on equity and preference shares are recorded as a liability on the date of approval by the shareholders and interim dividends on equity & preference shares are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.21 Prior period Items

Prior period items are disclosed separately in financial statement.





Arya Communications & Electronics Services Private Limited
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Notes to Financial Statements for the year ended 31st March 2020

Note No	Particulars	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019
2	Share capital		
	Authorised		
	300,000 (P.Y. 300,000) Equity shares of Rs. 100 each	30,000,000	30,000,000
		30,000,000	30,000,000
	Issued, subscribed and fully paid up		
	40,000 (P.Y. 40,000) Equity shares of Rs. 100 each fully paid up	4,000,000	4,000,000
		4,000,000	4,000,000

2.1 Rights, preferences and restrictions of equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.100. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholder (after due adjustment in case shares are not fully paid up).

2.2 Reconciliation of the equity shares outstanding at the beginning and at the end of the year:

Particulars	2019-20		2018-19	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Shares outstanding at the beginning of the year	40,000	4,000,000	40,000	4,000,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	40,000	4,000,000	40,000	4,000,000

2.3 Details of the equity shareholders holding more than 5% shares in the Company at the end of the year:

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of shares	% of Holding	No. of shares	% of Holding
Mr. K.B. Kotak	24,000	60%	24,000	60%
Mr. D.K.Kotak	8,000	20%	8,000	20%
Mr. V. K.Kotak	8,000	20%	8,000	20%

3 Reserves and surplus

3.1 General reserve		
Opening balance	5,151,966	5,151,966
Add: Transfer during the year	-	-
Closing balance	5,151,966	5,151,966
3.2 Surplus in statement of profit and loss		
Opening surplus	328,824,691	270,546,010
Add: Net profit after tax transferred from statement of profit and loss	20,739,039	58,278,681
	349,563,729	328,824,691
	354,715,695	333,976,657

4 Long-term borrowings

Secured		
Term loans from bank (Refer note 4.1)	1,461,379	2,257,385
	1,461,379	2,257,385

4.1 Term loan is secured by hypothecation of respective motor vehicles.





Arya Communications & Electronics Services Private Limited
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Notes to Financial Statements for the year ended 31st March 2020

(Amount in Rs.)

Note No	Particulars	As at 31st March 2020	As at 31st March 2019
5	Short-term borrowings		
	Secured		
	Loans repayable on demand from banks		
	- Cash credit facilities (Refer note 5.1)	57,963,025	38,700,399
		<u>57,963,025</u>	<u>38,700,399</u>
5.1	Details of security provided The cash credit from banks are secured by hypothecation of inventories, book debts, movable assets and personal guarantee of director.		
6	Trade Payables		
	Due to small and medium enterprises (Refer note 6.1)	1,554,987	256,747
	Others	320,473,727	270,197,158
		<u>322,028,714</u>	<u>270,453,905</u>

6.1 Disclosure under section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is as tabulated below:

Particulars	2019-20	2018-19
The principal amount remaining unpaid to any supplier at the end of accounting year	1,554,987	256,747
The interest due on above, remaining unpaid to any supplier at the end of accounting year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act (27 of 2006)	2,665	-
The amount of the payment made to the supplier beyond the appointed day during accounting year	191,101	617,756
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year)	584	2,665
The amount of interest accrued and remaining unpaid at the end of accounting year	584	2,665
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	133	140

The information has been given in respect of such suppliers to the extent they could be identified as 'micro and small enterprises' on the basis of information received and available with the Company. Auditors have relied upon the same.

7 Other current liabilities

Current maturities of long term loan		
- From bank	796,006	702,414
Income received in advance	1,962,407	275,370
Other payables		
- Statutory liabilities	8,823,253	8,024,518
- Advance from customers	4,362,415	14,966,745
- Security deposit	1,172,507	161,574
- Accrued expenses	8,947,550	10,524,525
- Employees dues	8,573,714	13,672,976
- Interest payable to micro and small enterprises	584	2,665
- Other liabilities	319,725	319,725
	<u>34,958,161</u>	<u>48,650,512</u>

8 Short-term provisions

Provision for employee benefits (Refer note 28)	9,279,993	1,435,289
Others		
- Provision for sales tax (Refer note 8.1)	504,605	508,917
	<u>9,784,598</u>	<u>1,944,206</u>

8.1 Pursuant to the accounting standard (AS) 29 on "Provisions, Contingent Liabilities and Contingent Assets", the required information is as under:

Sales tax liability

Particulars	As at 31st March 2020	As at 31st March 2019
Opening balance	508,917	511,704
Add : Addition during the year	-	-
Less : Utilisation during the year	4,312	2,787
Less : Reversal during the year	-	-
Closing balance	<u>504,605</u>	<u>508,917</u>

Provision for differential sales tax liability amounting to Rs. 504,605 (P.Y. Rs. 508,917) was made towards liability on account of non submission of sales tax declaration forms in respect of pre GST period. Expected cash outflow, if any, will be in the year of final assessment by relevant authorities. For the purpose of classification the same has been treated as short term provision considering that management does not have right to defer the settlement beyond 12 months in case liability arises.





Anya Communications & Electronics Services Private Limited
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Notes to Financial Statements for the year ended 31st March 2020

9 Property, plant and equipment & intangible assets

Particulars	Gross block			Depreciation/ amortization			Net block As at 31st March 2020	
	As at 1st April 2019	Addition / Adjustment during year	Deletion / Adjustment during year	As at 31st March 2020	Up to 1st April 2019	For the year		Deletion
Tangible assets								
Furniture and fixtures	6,380,325	174,024	-	6,554,349	3,586,996	736,117	-	4,323,113
Plant and equipment	25,231,235	-	-	25,231,235	23,326,404	245,276	-	23,571,680
Computers	11,351,693	936,078	-	12,287,771	8,982,899	1,415,268	-	10,398,167
Office equipment	4,085,833	295,026	-	4,380,859	3,390,966	464,149	-	3,855,115
Motor vehicles	13,965,424	-	1,964,581	12,000,843	8,496,931	1,553,446	1,581,153	8,469,224
Leasehold improvement	17,908,160	-	-	17,908,160	1,776,099	3,581,632	-	5,357,731
Sub total (A)	78,922,670	1,405,128	1,964,581	78,363,217	49,560,295	7,995,888	1,581,153	55,975,030
Intangible assets								
Software (not internally generated) (Refer Note 9.1)	298,287	-	-	298,287	207,378	55,809	-	263,187
Sub Total (B)	298,287	-	-	298,287	207,378	55,809	-	263,187
Total (A+B)	79,220,957	1,405,128	1,964,581	78,661,504	49,767,673	8,051,697	1,581,153	56,238,217
								22,423,287

Note 9.1 - Balance useful life is 0.5-1 year (P.Y. 1-2 years)





Arya Communications & Electronics Services Private Limited
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Notes to Financial Statements for the year ended 31st March 2019

9.a Property, plant and equipment & Intangible assets

Particulars	Gross block				Depreciation/ amortization			(Amount in Rs.) Net block	
	As at 1st April 2018	Addition / Adjustment during year	Deletion / Adjustment during year	As at 31st March 2019	Up to 1st April 2018	For the year	Deletion	Up to 31st March 2019	As at 31st March 2019
Tangible assets									
Furniture and fixtures	61,48,407	4,84,035	2,52,117	63,80,325	29,62,255	8,72,515	2,47,774	35,86,996	27,93,329
Plant and equipment	253,61,689	3,89,941	5,20,395	252,31,235	231,18,739	3,66,713	1,59,048	233,26,404	19,04,831
Computers	94,43,961	20,46,979	1,39,247	113,51,683	79,23,191	11,98,955	1,39,247	89,82,899	23,68,794
Office equipment	44,73,525	25,248	4,12,940	40,85,833	31,56,162	6,43,474	4,08,670	33,90,966	6,94,867
Motor vehicles	130,25,170	20,25,453	10,85,199	139,65,424	71,86,817	23,33,490	10,23,376	84,96,931	54,68,493
Leasehold improvement	-	179,08,160	-	179,08,160	-	17,76,099	-	17,76,099	161,32,061
Sub total (A)	584,52,752	228,79,816	24,09,898	789,22,670	443,47,164	71,91,246	19,78,115	495,60,295	293,62,375
Intangible assets									
Software (not internally generated) (Refer Note 9.a(1))	2,34,995	63,292	-	2,98,287	1,39,269	68,109	-	2,07,378	90,909
Sub Total (B)	2,34,995	63,292	-	2,98,287	1,39,269	68,109	-	2,07,378	90,909
Total (A+B)	586,87,747	229,43,108	24,09,898	792,20,957	444,86,433	72,59,355	19,78,115	497,67,673	294,53,284

Note 9.a(1) - Balance useful life is 1-2 years (P.Y. 1-3 years)





Arya Communications & Electronics Services Private Limited
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Notes to Financial Statements for the year ended 31st March 2020

Note No	Particulars	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019
10	Non-current investments		
	(Long term, at cost)		
	Investments in equity Instruments	-	-
	(Fully Paid up unless stated otherwise)		
	Trade investments (un-quoted)		
	2,500 (P.Y. 2,500) Fully paid equity shares of Rs. 10 each of The Saraswat Co-op. Bank Limited	25,000	25,000
	100,000 (P.Y. 100,000) 0.01% Non convertible non-cumulative redeemable preference shares of Rs. 100 each fully paid-up of Portall Infosystem Private Limited (Refer note 10.1 and 10.2 below)	10,000,000	10,000,000
		<u>10,025,000</u>	<u>10,025,000</u>
	- Aggregate amount of unquoted investments	10,025,000	10,025,000
	- Aggregate provision for diminution in value of investments	-	-
10.1	The disclosure requirement u/s 186(4) of the Companies Act, 2013 in regard to investments made by the company are given above.		
10.2	In respect of investment in the non-convertible non-cumulative redeemable preference shares, in the opinion of the management, considering the investee company is into initial stages of establishment and operations, no provision for diminution in the value of investment is required.		
11	Long-term loans and advances		
	(Unsecured, considered good, unless otherwise stated)		
	Security deposits (Refer note 11.2 and 34.2)	43,643,879	37,310,259
	Advance income tax & tax deducted at source (net of provision for tax)	15,408,514	9,912,006
	Prepaid expenses	34,592	747,158
	Loans and advances to related party (Refer note 11.1 to 11.3 and 34.2)	7,500,000	5,000,000
	Earnest money deposit		
	- Considered good	12,752,598	9,360,210
	- Considered doubtful	2,211,711	1,498,367
	- Less: Provision for doubtful advances	<u>(2,211,711)</u>	<u>(1,498,367)</u>
		12,752,598	9,360,210
	Balance lying with government authority		
	- Considered good	1,043,641	210,392
	- Considered doubtful	2,006,271	2,006,271
	- Less: Provision for doubtful receivables	<u>(2,006,271)</u>	<u>(2,006,271)</u>
		1,043,641	210,392
	Advance recoverable in cash or kind		
	- Considered good	-	-
	- Considered doubtful	6,743,032	6,743,032
	- Less: Provision for doubtful receivables	<u>(6,743,032)</u>	<u>(6,743,032)</u>
		-	-
		<u>80,383,224</u>	<u>62,540,025</u>
11.1	Disclosure as required by Section 186 of the Act:		
(i)	Name of the party and relationship with the party to whom loan given: Enterprises over which KMP's have control and significant influence Bliq Trading Private Limited	7,500,000	5,000,000
(ii)	Above loans has been given for general business purposes.		
(iii)	Above loans are interest bearing.		
(iv)	Above loans are not repayable within a period of 12 months.		
11.2	Loans & advances include amount of Rs. 36,518,808(P.Y. Rs.32,850,000) due from companies / firms in which directors are interested as director or member or partner (Also refer note 34.2)		
11.3	In respect of loan granted to related party (commonly controlled company by the promoters), on account of Covid-19 pandemic, there are disruptions in the business of the related party. In the opinion of the management, considering the fact that there is financial support by the promoters, loan given is not considered as doubtful and hence, no provision is required.		
12	Other non-current assets		
	Fixed deposits with bank (Margin deposits against bank guarantee)		
	- Maturity up to 12 months	13,084,681	8,631,575
	- Maturity with more than 12 months	6,346,995	5,038,615
		<u>19,431,676</u>	<u>13,670,190</u>
12.1	Margin deposit includes fixed deposit of Rs. 319,725 (P.Y. Rs. 319,725), which is earmarked against contribution from Arya Executive Club, having maturity of more than 12 months.		
13	Inventories		
	(Valued at lower of cost or NRV)		
	Stock in trade (in respect of goods acquired for trading)	241,874,691	116,219,179
	Stock in trade (in transit)	1,485,903	-
	Less: Provision for slow moving stock in trade	<u>(7,960,600)</u>	<u>(7,960,600)</u>
	(Also refer note 37)	<u>235,399,994</u>	<u>108,258,579</u>





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Notes to Financial Statements for the year ended 31st March 2020

Note No	Particulars	(Amount in Rs.)	
		As at 31st March 2020	As at 31st March 2019
14	Trade receivables (Unsecured)		
	Outstanding for a period exceeding six months based on due date		
	- Considered good (Refer note no. 14.1)	98,271,980	88,139,661
	- Considered doubtful	15,429,408	9,308,970
	Others		
	- Considered good (Refer note no. 14.1)	243,893,803	322,677,436
	- Considered doubtful	-	-
		<u>357,595,191</u>	<u>420,126,067</u>
	Less: Allowance for bad and doubtful trade receivables	<u>(15,429,408)</u>	<u>(9,308,970)</u>
		<u>342,165,783</u>	<u>410,817,097</u>

14.1 Trade receivable above include due from companies / firms in which directors are interested as director or member or partner is given below :
 (Also refer note 34.2)

Particulars	As at 31st March 2020	As at 31st March 2019
Over six months from the date they are due for payment	3,118,770	1,291,968
Others	2,202,724	8,830,269
Total	<u>5,321,494</u>	<u>10,122,237</u>

15 Cash and bank balances

Cash and cash equivalent

Balance with banks

- In current account

- In EEFC account

Cash on hand

Other bank balance (Margin deposit) (Refer note 15.1)

- Maturity up to 12 months

- Maturity with more than 12 months

5,996,536	8,181,548
3,800,255	588,125
<u>229,524</u>	<u>173,197</u>
10,026,315	8,942,870
3,905,960	17,261,660
3,277,879	5,882,255
<u>17,210,154</u>	<u>32,086,785</u>

15.1 Margin deposits with bank are against bank guarantee.

16 Short-term loans and advances

(Unsecured, considered good, unless otherwise stated)

- Others

- Amount recoverable from vendor

- Advance to suppliers

- Special additional duty refund receivable

- Prepaid expenses

- Loans and advances given to employees

- Balance with government authority

500,000	-
24,824,623	14,802,353
-	193,374
1,134,962	1,253,314
1,761,199	891,080
<u>12,434,914</u>	<u>974,012</u>
<u>40,655,698</u>	<u>18,114,133</u>

17 Other current assets

Accrued income- annual maintenance contracts

Interest receivable on fixed deposits

Interest receivable on related parties (Refer note 34.2)

Interest receivable from income tax

Less: Provision for doubtful receivables

4,479,697	3,484,570
1,845,083	2,014,030
744,921	241,096
2,962,662	2,962,662
<u>(2,962,662)</u>	<u>(2,962,662)</u>
<u>7,069,701</u>	<u>5,739,696</u>





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Notes to Financial Statements for the year ended 31st March 2020

		(Amount in Rs.)	
Note No	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
18	Revenue from operations		
	Sale of goods (Refer note 37)	1,299,501,377	1,413,163,547
	Sale of services		
	- Service income	54,706,463	33,672,900
	- Commission income	45,859,082	43,428,038
	Other operating income:		
	- Sundry credit balance written back	1,028,373	3,793,272
		1,401,095,295	1,494,057,757
19	Other incomes		
	Interest income		
	- On income tax refund	-	127,341
	- From banks	2,362,922	2,315,708
	- From others	503,825	241,096
	Dividend income (long term investment)	4,375	4,375
	Gain on sale / discard / scrap of assets	535,572	472,857
	Miscellaneous income	225,999	74,868
		3,632,693	3,236,245
20	Changes in inventories of stock-in-trade		
	Opening stock (gross)	116,219,179	161,040,131
	Less: Closing stock	243,360,593	116,219,179
		(127,141,414)	44,820,952
21	Direct expenses		
	Service and repair charges	8,715,804	9,740,745
	Installation expenses	4,447,970	5,477,186
		13,163,774	15,217,931
22	Employee benefit expenses		
	Salaries and wages (Refer note 34.2)	175,714,709	171,925,150
	Directors remuneration	19,200,000	19,600,000
	Contribution to provident and other funds (Refer note 28.2)	13,674,348	11,897,837
	Gratuity and leave benefit expenses (net of reversal) (Refer note 28)	8,722,709	1,096,585
	Staff welfare expenses	964,350	1,060,974
		218,276,116	205,580,546





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Notes to Financial Statements for the year ended 31st March 2020

(Amount in Rs.)

Note No	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
23	Administrative and selling expenses		
	Electricity charges	3,765,481	4,163,226
	Rent (Refer note 31)	23,542,613	21,965,776
	CSR expenditure & donation	1,744,251	2,608,500
	Insurance	5,538,685	4,204,681
	Rates and taxes	228,648	325,063
	Exchange rate fluctuation (net)	6,035,501	(185,228)
	Auditors' remuneration:		
	- As auditor (excluding GST) (current year amount includes Rs.28,000 for previous year)	886,000	830,000
	Communication expenses	3,211,394	3,484,041
	Books, periodicals & subscriptions	36,129	41,273
	Professional and consultation expenses	14,022,523	18,486,738
	Repairs & maintenance - buildings	-	84,078
	Repairs & maintenance - others	16,620,401	6,267,432
	Printing & stationery	1,232,705	1,193,916
	Conveyance	1,707,029	1,995,421
	Travelling expenses - local & foreign	20,330,091	16,263,151
	Security expenses	812,920	964,751
	Liquidated damage charges (Refer note 23.1)	14,517	14,042
	Brokerage expenses	23,069,192	29,270,236
	Motor car expenses	3,105,768	3,352,625
	Business promotion expenses	2,341,357	4,941,320
	Training expenses	-	195,390
	Assets held for disposal written off	-	4,358
	Commission receivable written off	-	1,084,679
	Less: Provision for doubtful advance utilised	-	(1,084,679)
	Bad-Debts	73,562	671,281
	Less: Provision for doubtful trade receivables utilised	(73,562)	(374,716)
		-	296,565
	Provision for slow moving inventory	-	1,873,295
	Provision for doubtful trade receivables	6,194,000	6,838,750
	Provision for earnest money deposit	975,094	27,563
	Earnest money deposit w/off	261,750	-
	Less: Provision for earnest money deposit utilised	(261,750)	-
		-	-
	Sundry balance written off	461,907	2,355,039
	Miscellaneous expense (Refer note 23.2)	6,256,703	4,930,024
		142,132,909	136,792,026

23.1 Liquidated damage charges of Rs. 14,517 (P.Y. Rs. 14,042) had been deducted by the customers in accordance with the contractual terms. Based on the information available with the Company, there are no claims made by the customers in current year and therefore, no provision is considered necessary by the management.

23.2 Miscellaneous expense includes Rs. 1,259,228 (P.Y. Rs. 1,376,490) on account of goods and services tax reversal. Expense wise break-up of the same is not readily available.

24 Finance costs

Interest expenses		
- On car loan from bank	217,782	273,157
- On working capital loan from banks	5,461,298	1,560,344
- On others	47,380	55,515
Other borrowing costs	6,391,322	3,193,732
	12,117,782	5,082,748





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Notes to Financial Statements for the year ended 31st March 2020

25 Contingent liabilities:

- 25.1 Bank guarantee given by bank on behalf of the company amounting to Rs. 208,997,879 for the year ended as on 31st March 2020 (P.Y. Rs.151,791,348). Cash outflow is probable in case of non-performance as per the contract.
- 25.2 Claims by vendor not acknowledged as debts amounting to Rs. 3,956,632 (P.Y. Rs.Nil). In the opinion of the management, claim is not tenable with reference to terms of the contract and no cash outflow is expected by the Company in this matter.

26 Other Litigations:

- 26.1 In Income tax, assessing officer had disallowed certain expenses during the assessment year 2012-13 and 2013-14 in previous year. Company had filed appeal before CIT (appeal) against the orders. As there is no demand raised due to losses and refund, there are no contingent liabilities in current year and previous year.

27 Capital Commitments:

- 27.1 In respect of fixed assets - Leasehold improvement (net of advance) Rs. Nil (P.Y. Rs. Nil).

28 Disclosure as required by Accounting Standard 15 (Revised) on Employee benefits:

28.1 Brief description of the plans:

The Company has provided for gratuity, a defined benefit plan based on actuarial valuation as of the balance sheet date, based upon which, the Company contributes all the ascertained liabilities to the insurer managed funds. During the previous year, the Company restricted the benefit amount to Rs. 2,000,000 and closing value of obligation was computed accordingly as at 31st March 2019. The Company had not quantified the amount of reduction in defined benefit due to this restriction. The employees of the Company are also entitled to sick leave benefit (other long term benefit) in the nature of compensated absences as per the Company's policy. In respect of privileged leave, since there is no carry forward of unutilised leave as at year end, no provision is required to be made as at year end.

28.2 Charged to statement of profit & loss based on contributions:

Particulars	(Amount in Rs.)	
	2019-20	2018-19
Provident fund and employees' pension scheme	13,569,734	11,753,909
ESIC	102,454	141,914
Labour welfare fund	2,160	2,014
Total	13,674,348	11,897,837

28.3 The following table set out the status of the gratuity plan as required under AS 15 (revised)

Change in the value of obligations	(Amount in Rs.)	
	2019-20	2018-19
Opening liability at the beginning of the year	28,075,977	25,261,786
Interest cost	2,130,967	1,591,227
Current service cost	2,552,594	2,347,826
Benefits paid	(2,697,305)	(236,701)
Past service cost	-	(4,808,999)
Liability transferred in	-	268,932
Actuarial (gain) / loss on obligations	5,563,828	3,651,906
Liability at the end of the year	35,626,061	28,075,977

Reconciliation of fair value of plan assets	(Amount in Rs.)	
	2019-20	2018-19
Fair value of plan assets at the beginning of the year	27,455,928	23,690,078
Expected return on plan assets	2,083,905	1,843,088
Contributions	620,049	1,630,435
Benefit paid	(2,697,305)	(236,701)
Assets transferred in	-	546,000
Actuarial gain / (loss) on plan assets	(159,037)	(16,972)
Fair value of plan assets at the end of the year	27,303,540	27,455,928

Recognition of actuarial gain / (loss)	(Amount in Rs.)	
	2019-20	2018-19
Actuarial (gain) / loss on obligations (A)	5,563,828	3,651,906
Actuarial (gain) / loss on plan assets (B)	159,037	16,972
Actuarial (gain) / loss recognized in the statement of profit & loss (A-B)	5,722,865	3,668,878



(Amount in Rs.)		
Actual return on plan asset	2019-20	2018-19
Expected return on plan assets	2,083,905	1,843,088
Actuarial gain / (loss) on plan assets	(159,037)	(16,972)
Actual return on plan assets	1,924,868	1,826,116

(Amount in Rs.)		
Amount recognized in the balance sheet	2019-20	2018-19
Liability as per actuarial valuation for continuing employees at the end of the year (A)	35,626,061	28,075,977
Fair value of plan assets at the end of the year (B)	27,303,540	27,455,928
Net liability for employee benefits (A – B)	8,322,521	620,049

(Amount in Rs.)		
Gratuity recognized in the statement of profit & loss	2019-20	2018-19
Current service cost	2,552,594	2,347,826
Interest cost	47,062	(251,861)
Actuarial (gain) / loss	5,722,865	3,668,878
Past service cost	-	(4,808,999)
Total expenses recognized in the statement of profit & loss	8,322,521	955,844

(Amount in Rs.)		
Balance sheet reconciliation	2019-20	2018-19
Opening liability	620,049	1,571,708
Expense as above	8,322,521	955,844
Contribution during the year	(620,049)	(1,630,435)
Net liability / (asset) transfer in	-	(277,068)
Net liability / (asset) recognized in balance sheet- Disclosed under short term provision	8,322,521	620,049
Expected contribution in next 1 year is Rs.8,322,521 (P.Y. Rs. 620,049)		

Assumptions	2019-20	2018-19
Discount rate	6.04%	7.59%
Rate of return on plan assets	6.04%	7.59%
Expected rate of salary increase	7%	7%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(Amount in Rs.)					
Particulars	31st March 2020	31st March 2019	31st March 2018	31st March 2017	31st March 2016
Defined benefit obligation	35,626,061	28,075,977	19,198,905	22,232,013	19,198,905
Fair value of plan assets	27,303,540	27,455,928	16,993,689	20,355,469	16,993,689
Surplus / (Deficit)	(8,322,521)	(620,049)	(2,205,216)	(1,876,544)	(2,205,216)
Experience adjustment on obligations (gain) / loss	5,563,828	3,651,906	1,669,079	(1,212,093)	716,872
Experience adjustment on plan asset (loss) / gain	(159,037)	(16,972)	232,127	118,027	232,127

Investment Details	31st March 2020	31st March 2019
Investment with insurer	100%	100%

28.4 Liability for sick leave benefits is unfunded and long term liability is actuarially determined considering the leave policy / rules of the company. The amount of provision made for long term leave benefits of Rs. 957,472 (Previous year Rs. 815,240) which is determined on actuarial basis is included in note 8 of 'Short term provision' for the purpose of disclosure requirement as per Schedule III of the Companies Act, 2013. As per paragraph 132 of Accounting Standards 15 – Employee benefits, no disclosures tables are required to be given in respect of leave benefits (other long term employee benefits).

29 Deferred tax assets

(Amount in Rs.)		
Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Tax Assets on account of		
Depreciation	2,541,661	2,509,502
Provision for leave	240,996	237,398
Provision for doubtful advances / other receivables	1,350,125	1,354,278
Provision for slow moving inventories	2,003,683	2,318,127
Provision for doubtful trade receivables	3,883,582	2,710,772
Provision for contingencies (sales tax)	127,009	148,197
Total	10,147,055	9,278,274

There are no timing differences for which deferred tax liability is required to be recognized in current year and previous year. In current year, the Company has opted for lower tax rate as per Section 115BAA of the Income-tax Act, 1961 and consequently, computation of deferred tax is done considering the lower rate. Due to above, deferred tax credit for the current year is net of reduction of deferred tax asset amounting to Rs.1,228,152 on account of lower tax rate.



30 Earnings per share (EPS):

Particulars	Unit	2019-20	2018-19
Profit / (Loss) attributable to Equity Shareholders	Rs.	20,739,039	58,278,681
Weighted average number of Equity Shares used in computing basic and diluted EPS	Nos.	40,000	40,000
Face value per share	Rs.	100	100
Basic and Diluted Earnings per Share	Rs.	518.48	1,456.97

31 Disclosure for lease

31.1 As lessee - operating lease

The Company's significant leasing arrangements are in respect of operating leases for premises (for office, stores, godowns etc.) These leasing arrangements are a) generally cancellable with notice by either party and are usually renewable by mutually agreeable terms and b) non-cancellable lease arrangement. The aggregate lease rentals payable are charged as rent under Note 23. Disclosure in respect of non-cancellable lease arrangement is as follows:

(Amount in Rs.)		
Particulars	2019-20	2018-19
Within one year of balance sheet date	768,000	3,875,855
Due in a period between one year and five year	96,000	864,000
Above five years	-	-

32 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) committee has been formed by the Company. The area for CSR activities are education and empowerment, health and sanitation, environment and others.

(a) Gross amount required to be spent by the Company during the current year was Rs. 2,866,000 (P.Y. Rs. 2,477,272).

(b) Details of amount spent during the year are as under:

(Amount in Rs.)				
Particulars	Year	In cash	Yet to be paid in cash	Total
Construction/acquisition of assets	2019-2020	-	-	-
Other purposes		1,600,000	-	1,600,000
Construction/acquisition of assets	2018-2019	-	-	-
Other purposes		2,500,000	-	2,500,000

Note: Cash flow from operating activities includes CSR amounting to Rs. 1,600,000 (P.Y. Rs.2,500,000).



33 Disclosure as required by 'Accounting Standard 17-Segment reporting' (AS 17)

33.1 Business segment- Primary

The Company has three primary business divisions i.e. Securecom division, Arya Water Technologies (AWT) and Infosystem division. Securecom division deals in products used in security / public safety and relevant services for the same. AWT division deals for installation of 'water solutions systems'. Infosystem deals into IT related services.

33.2 Geographical segment- Secondary

The Company operates in single geographical location.

Disclosure as per AS 17 is as follows:

(Amount in Rs.)

Particulars	Securecom division	AWT division	Infosystem division	Unallocated	Total
Revenue					
Income from Operation	1,340,313,789	51,297,141	9,484,365	-	1,401,095,295
	1,429,537,291	62,776,971	1,743,495	-	1,494,057,757
Total Revenue	1,340,313,789	51,297,141	9,484,365	-	1,401,095,295
	1,429,537,291	62,776,971	1,743,495	-	1,494,057,757
Results					
Segment result	164,412,153	(29,096,886)	(39,737,642)	-	95,577,625
	210,641,422	(25,202,231)	(25,440,851)	-	159,998,340
Unallocated expense net of income excluding Interest				(47,872,573)	(47,872,573)
Depreciation	-	-	-	(69,646,748)	(69,646,748)
	-	-	-	(8,051,697)	(8,051,697)
Interest Expenses (Including bank Charges)	(2,762,516)	(61,505)	-	(7,259,355)	(7,259,355)
	(2,671,357)	(50,597)	-	(9,293,761)	(12,117,782)
Interest Income	-	-	-	(2,360,795)	(5,082,749)
	-	-	-	2,309,494	2,309,494
	-	-	-	2,684,145	2,684,145
Profit/(Loss) before tax	161,649,637	(29,158,391)	(39,737,642)	(62,908,538)	29,845,066
	207,970,066	(25,252,828)	(25,440,851)	(76,582,752)	80,693,635
Taxes (Incl. deferred taxes)	-	-	-	9,106,027	9,106,027
	-	-	-	22,414,953	22,414,953
Net Profit/ (Loss) after tax	161,649,637	(29,158,391)	(39,737,642)	(72,014,565)	20,739,039
	207,970,066	(25,252,828)	(25,440,851)	(98,997,705)	58,278,682
Other Information					
Segment assets	604,900,885	30,942,146	65,490	149,003,051	784,911,572
	509,131,131	46,019,508	656,332	144,176,093	699,983,064
Segment Liabilities	336,223,301	7,911,575	-	82,061,001	426,195,877
	267,102,971	18,342,777	-	76,560,659	362,006,407
Capital Expenditure	551,930	38,650	-	814,548	1,405,128
	140,800	1,848,442	-	17,885,497	19,874,739
Depreciation / amortization	-	-	-	8,051,697	8,051,697
	-	-	-	7,259,355	7,259,355
Non-Cash expenses other than depreciation / amortization	-	-	-	-	-
	-	-	-	-	-
Provision for doubtful debts (other than reversal)	607,000	5,587,000	-	-	6,194,000
	4,161,096	2,677,654	-	-	6,838,750
Provision for slow moving stores items	-	-	-	-	-
	1,873,295	-	-	-	1,873,295
Provision for earnest money deposit	975,094	-	-	-	975,094
	27,563	-	-	-	27,563

Note: Figures in non-bold are in respect of previous year.



34 Disclosures in respect of Accounting Standard – 18, Related Party Disclosures, as notified under the Companies (Accounting Standards) Rules, 2006, as amended:

34.1 The Nature of relationships:

Relationships	Name of Parties
Key managerial person (KMP)	Shri. K. B. Kotak (Director)
	Shri. D. K. Kotak (S/o Shri. K. B. Kotak) (Director)
	Shri. V. K. Kotak (S/o Shri. K. B. Kotak) (Director) (Resigned in December 2019)
	Smt. Kamini Kotak (Wife of Shri. K.B. Kotak)
	Smt. Vidhyaben Kotak (Mother of Shri. K.B. Kotak)
Enterprises over which KMP's have control and significant influence (to the extent there are transactions)	International Cargo Terminals & Rail Infrastructure Private Limited
	Arya Offshore Services Private Limited
	International Cargo Terminals & Infrastructure Private Limited
	J. M. Baxi & Co.
	J.M. Baxi Incubators Private Limited
	Visakha Container Terminal Private Limited
	ICT Infrastructure Private Limited
	United Liner Shipping Services LLP
	Boxco Logistic India Private Limited
	M/s Bulk Cargo Conveyor
	Paradip International Cargo Terminal Private Limited
	Portall Infosystem Private Limited
	K Steamship Agencies Private Limited
	Container Movement Transport (Bombay) Private Limited
	Boxcoworld Logistics Private Limited
	Boxco Shipping Service Private Limited
	Bliq Trading Private Limited
	Breal Estate One Private Limited
	Barking Deer Hospitality Private Limited
	Haldia International Container Terminal Private Limited
	Kandla International Container Terminal Private Limited

34.2 Transaction with related parties:

Nature of transactions with related parties	Name of party	(Amount in Rs.)	
		31st March 2020	31st March 2019
Sales of goods and services			
	Arya offshore Services Private Limited	1,934,195	696,938
	International Cargo Terminals & Infrastructure Private Limited	19,585,543	13,330,763
	J. M. Baxi & Co.	1,350,503	63,720
	J.M. Baxi Incubators Private Limited	-	554,895
	K Steamship Agencies Private Limited	87,120	63,720
	International Cargo Terminals & Rail Infrastructure Private Limited	47,117	160,486
	Haldia International Container Terminal Private Limited	415,683	35,400
	Container Movement Transport (Bombay) Private Limited	-	63,720
	Boxco Logistic India Private Limited	1,342,110	28,320
	Boxco Logistic India Private Limited (Diabos)	300,000	-
	Boxco Shipping Service Private Limited	254,341	28,320
	Boxcoworld Logistics Private Limited	28,320	28,320
	Breal Estate One Private Limited	85,550	1,778,804
	Barking Deer Hospitality Private Limited	-	1,054,526
	Paradip International Cargo Terminal Private Limited	2,813,356	267,860
	United Liner Shipping Services LLP	879,495	352,371
	Kandla International Container Terminal Private Limited	1,287,197	44,250
Services/overheads charged (including reimbursements)			
Repair and maintenance	J. M. Baxi & Co.		52,489
Rent	International Cargo Terminals and Infrastructure Private Limited		-
	Breal Estate One Private Limited	6,929,070	3,078,000
	ICT Infrastructure Private Limited	-	1,622,500
	Boxco Logistic India Private Limited	-	432,000
	Smt. Vidhyaben Kotak	540,000	540,000
Service and repair charges	Boxcoworld Logistics Private Limited	-	648,393
	Boxco Logistic India Private Limited	70,014	67,156



Nature of transactions with related parties	Name of party	31st March 2020	31st March 2019
Professional & consultancy charges	Smt. Kamini Kotak	1,080,000	1,080,000
	Breal Estate One Private Limited	64,310	-
Other expenses	J. M. Baxi & Co.	521,098	509,605
	K Steamship Agencies Private Limited	30,420	32,389
	Breal Estate One Private Limited	3,626,983	1,405,561
Repayments of loan	Shri. K. B. Kotak	-	1,473,500
Loan given	Bliq Trading Private Limited	2,500,000	5,000,000
Deposit given	ICT Infrastructure Private Limited	-	25,000,000
	Breal Estate One Private Limited	439,500	2,850,000
Investment in preference shares	Portall Infosystem Private Limited	-	10,000,000
Interest Receivable	Bliq Trading Private Limited	503,825	241,096
Directors remuneration (including P.F. contribution)	Shri. K. B. Kotak	13,440,000	13,440,000
	Shri. D.K.Kotak	8,064,000	8,064,000
	Shri. V.K.Kotak (Upto July 2018)	-	448,000
Closing balance receivables	Portall Infosystem Private Limited	10,000,000	10,000,000
	Bliq Trading Private Limited	8,244,921	5,241,096
	International Cargo Terminals & Rail Infrastructure Private Limited	53,099	81,822
	International Cargo Terminals & Infrastructure Private Limited	2,201,671	7,758,700
	Arya Offshore Services Private Limited	882,121	329,019
	Boxco Logistic India Private Limited (Diabos)	300,000	-
	Paradip International Cargo Terminal Private Limited	620,581	437,354
	United Liner Shipping Services LLP	272	139,090
	ICT Infrastructure Private Limited	25,000,000	25,000,000
	Haldia International Container Terminal Private Limited	152,113	13,275
	Container Movement Transport (Bombay) Private Limited	-	63,720
	Boxco Shipping Service Private Limited	-	10,620
	Boxcoworld Logistics Private Limited	-	10,620
	Breal Estate One Private Limited	4,018,808	3,431,289
	Barking Deer Hospitality Private Limited	89,199	219,381
	Kandla International Container Terminal Private Limited	118,745	158,610
Closing balances payable	Arya Offshore Services Private Limited	-	36,660
	J. M. Baxi & Co.	47,988	29,170
	Visakha Container Terminal Private Limited	43,900	43,900

* Refer note 5.1 with respect to personal guarantee given by director of the Company in respect of secured loans availed from the bank.

35 Disclosure with respect to derivative instruments

35.1 There are no foreign currency exposures that are covered by derivative instruments as on 31st March 2020 and 31st March 2019.

35.2 Foreign currency exposures that are not covered by a derivative instrument or otherwise:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Amount in \$	Equivalent Rs.	Amount in \$	Equivalent Rs.
Liability for supply & services	1,211,247	82,517,609	1,219,032	84,320,444
Receivables	111,770	8,426,361	253,559	17,538,705
Advance to vendor	208,146	14,473,369	128,577	8,893,671

Note: Open purchase orders/ sales orders (if any) are not considered for the purpose of above disclosure.

36 Income / expenditure in foreign currency

Particulars	31st March 2020	31st March 2019
Expenditure in foreign currency	2,281,695	3,082,111
- Traveling, membership & subscription and professional & consultation fees		
Earnings in foreign currency	61,802,072	59,085,238
- Commission income and engineering charges (including taxes)		
C.I.F. value of imports	294,271,671	249,927,342



37 Particulars in respect of goods traded

Class of goods	Opening stock	Purchases	Sales	Closing Stock
Two-way communication radios	78,049,182 (128,142,977)	499,212,306 (642,902,866)	942,370,951 (1,056,751,474)	168,953,026 (78,049,182)
Electronic safe locks, water purify equipments & accessories, spare parts, accessories, components, computers, Scramblers etc.	38,169,997 (32,897,154)	609,069,752 (358,943,944)	357,130,426 (356,412,073)	74,407,567 (38,169,997)
Total current year	116,219,179	1,108,282,058	1,299,501,377	243,360,593
Total previous year	(161,040,131)	(1,001,846,810)	(1,413,163,547)	(116,219,179)

Note: Figures in bracket indicate previous year's figures.

- 37.1 The figures of opening and closing stock are after the adjustment on account of stocks written off and before provision of obsolete stock.
- 37.2 The values of opening stock & closing stock includes materials in transit.
- 38 The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The nationwide lockdown ordered by the Governments has resulted in significant reduction in economic activities and also the business operation of the company in terms of sales. The management is closely monitoring the situation and based on the current indicators of future economic conditions, the management expects to recover the carrying amount of trade receivables and inventories.
- 39 Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either nil or not applicable.
- 40 Previous year's comparatives
Previous year figures are regrouped or rearranged wherever considered necessary.

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.: 103288



Place: Mumbai
Dated: 07 JUL 2020

For and on behalf of the Board of directors of
Arya Communications & Electronics Services Private Limited


K.B. Kotak
Director
DIN: 00010788

07 JUL 2020


D.K. Kotak
Director
DIN: 00013988

07 JUL 2020