ARTH TRADING PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in Rs.)

	Note Number	As at Mar. 31, 16	As at Mar. 31, 15
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	100,000	100,000
(b) Reserves and surplus	3	42,610	(3,872,444)
2 Non-current liabilities			
(a) Long -term borrowings	4	4,216,200	12,248,351
(b) Long term provisions	5	451,357	-
3 Current liabilities			
(a) Short -term borrowings	6	502,444,640	-
(b) Trade Payables	7	896,269,439	355,534,587
(c) Other current liabilities	8	259,503,492	1,087,989
(d) Short Term Provisions	9	1,810,000	2,475,000
TOTAL		1,664,837,738	367,573,483
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets			
Tangible Assets	10	3,980	27,021
(b) Non-current investments	11	46,293	46,293
(c) Long term loans and advances	12	293,203,115	1,265,986
2 Current assets			
(a) Current Investments	13	141,764,288	-
(b) Trade receivables	14	81,308,155	291,294,946
(c) Inventories	15	1,110,038,518	62,956,814
(d) Cash and cash equivalents	16	38,086,109	11,853,475
(e) Short term Loans and Advances	17	226,494	117,094
(f) Other Current Assets	18	160,786	11,853
TOTAL		1,664,837,738	367,573,483
Significant Accounting Polices	1		
Other Notes to Financial Statements	29-41		

As per our report of even date attached

For Dhirubhai Shah & Doshi
Chartered Accountants
FRN: 102511W

Harish B. Patel
Partner
Membership No.14427

Ahmedabad
Date 20/08/2016

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AHMEDABAD
CHARTERED ACCOUNTANTS

Maganbhai B.Patel
Chairman

Harish G.Setalvad
Director

Ahmedabad
Date 20/08/2016

Note to financial statements

1. <u>ACCOUTING POLICIES</u>

a) Basis of Preparation of Financial Statement

The financial statements have been prepared on the historical cost convention basis and as a going concern with revenues considered and expenses accounted for wherever possible on their accrual, including provisions/adjustments for committed obligation.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual revision of accounting estimates is recognized prospectively in current and future periods.

c) Recognition of Income and Expenditure

Income and expenditure are recognized on accrual basis.

d) Investments

Investments of the company are long term. The same are valued at the cost of acquisition. Dividend on investments is accounted for as and when received.

e) Tax on Income

Income tax provision comprises current tax provision and deferred tax provision. Current tax provision is made annually based on the tax liability computed after considering tax allowances and deductions.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originates in one period and is capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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f) Provisions and Contingencies

Provisions are recognised when the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the company has a possible or present obligation where it is not probable that an outflow or resources will be required to settle it. The same are not provided for in the books of accounts and are separately disclosed in the notes forming part of account. Contingent assets are neither recognised nor disclosed.

g) Fixed Assets

Fixed Assets are accounted for at the cost of acquisition. They are stated at historical cost less accumulated depreciation.

h) Depreciation

Depreciation is provided under written down value method on all assets as per provisions of Schedule II of the Companies Act, 2013, which have come in to effect from 1st April,2014.

i) Insurance

The company has accounted for insurance claims for damage of goods on the basis of claims filed with the insurance company.

j) Sales

The Company recognises sales of goods on transferring property of underlying goods to customers. Sales include all charges and duties collected.

k) Impairment Loss

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in the arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

l) Employee Benefits:

The company accounts for employee benefits in compliance with the revised AS-15 as per following details:

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(i) Gratuity :

Liability on account of gratuity, which is a defined benefit plan, is provided for on the basis of actuarial valuation carried out by an independent actuary as at the balance sheet date.

(ii) Leave Encashment :

Provision for leave encashment is made on undiscounted basis for accumulated leave that employees can encash in future.

m) **Inventories:**

Inventories are valued at cost except;

(i) Finished goods and trading stock which are valued at lower of cost or net realisable value.

Cost is ascertained on the following basis:

(i) Raw Materials : Specific identification
(ii) Semi finished goods and finished goods Weighted average
(iii) Trading stock : Specific identification

n) **Inter-divisional Transactions :**

Inter-divisional transactions are eliminated as contra items. Any unrealized profit on unsold stock on account of inter-divisional transactions is eliminated while valuing inventory.

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Notes to Financial Statements
Notes in compliance of Schedule VI to the Companies Act, 1956

2 SHARE CAPITAL

2.1 The Company has one class of shares referred to as equity shares .The details thereof is as under:

(Amount in Rs.)

	As at Mar. 31, 16	As at Mar.31, 2015
AUTHORISED SHARE CAPITAL		
10,000 Equity shares of Rs. 10/- each (Previous year 10,000 equity shares)	100,000	100,000
TOTAL	100,000	100,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
10,000 Equity shares of Rs. 10/- each fully paid up (Previous year 10,000 equity shares)	100,000	100,000
TOTAL	100,000	100,000

2.2 **Reconciliation of number of shares outstanding:**
The company has not issued or bought back any equity or preference shares during the year under review.

2.3 **Shares Held by holding/ultimate holding company and/or their subsidiaries/associates**
Out of issued, subscribed and paid up capital:
Nil (Previous Year Nil) Equity Shares are held by holding company
Nil (Previous Year Nil) Equity Shares are held by ultimate holding company
Nil (Previous Year Nil) Equity Shares are held by subsidiary of holding company
Nil (Previous Year Nil) Equity Shares are held by associates of holding or ultimate holding company.

2.4 **The details of shareholders holding more than 5 % of issued share capital:**

Name of Share Holder	As at Mar. 31, 2016	As at Mar. 31, 2016	As at Mar. 31, 2015	As at Mar. 31, 2015
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Harish G Setalved	4,999	49.99	4,999	49.99
Mr. Maganbhai B. Patel	4,999	49.99	4,999	49.99

2.5 **The details of bonus shares issued, shares issued for consideration otherwise than in cash and shares bought back in preceding five years:**
The company has not issued any bonus shares, shares for consideration otherwise than in cash and has not bought back any shares in year under review and preceding five years.

2.6 **Details of Unpaid calls due from Directors or officers**
There were no unpaid calls due from Directors/Officers of the Company.

2.7 **Rights of Shareholders, Dividend and Repayment of Capital :**

Rights of Equity Share holders
(a) Holder of Equity Shares is entitled to one vote per share.

(b) The Company declares and pays dividends in Indian Rupees. The Companies Act, 2013 provides that the Dividend shall be declared only out of the profits of the relevant year or out of the profits of any previous financial year(s) after providing for depreciation in accordance with the provisions of the Act and the Company may transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the Company.

(c) In case of inadequacy or absence of profits in any year, the Company may declare dividend out of free reserves subject to the condition that the rate of dividend shall not exceed average of the rates at which dividend was declared by the Company in three years immediately preceding that year.

(d) In the event of Liquidation of the Company, the holders of shares shall be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

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3 RESERVES & SURPLUS

(Amount in Rs.)

			As at Mar. 31, 16	As at Mar. 31, 15
3.1	Debenture Redemption Reserve			
	Balance as per last Balance Sheet	A	-	-
	Add : Transferred from surplus in statement of Profit and Loss A/c.	B	42,610	-
	Closing Balance	A + B	42,610	-
3.2	The Reserves & Surplus includes:			
	Deficit (being balance of Profit & Loss Account)			
	Debit Balance As per last Balance Sheet	A	(3,872,444)	(9,164,052)
	Add: Net Profit For the current year	B	3,915,054	5,291,608
		A+B=C	42,610	(3,872,444)
	Less : Transferred to Debenture Redemption Reserve	D	42,610	-
	Closing Balance	C-D	-	(3,872,444)
	TOTAL		42,610	(3,872,444)

4 LONG TERM BORROWINGS

		As at Mar. 31, 16	As at Mar.31, 2015
	UNSECURED LOANS		
(A)	Optionally Fully Convertible Debenture (Rate of interest 9 %)	4,000,000	4,000,000
(B)	Unsecured Loans from body corporate other than related party	-	8,248,351
(C)	Deposit	216,200	-
	TOTAL	4,216,200	12,248,351

Note:
Conversion option in relation to OFCD to be exercised at any time after 1 year from the date of allotment of the OFCD but with in an overall tenure of 10 years of OFCD. If the conversion option is not exercised by the holder, it shall be reedemed after completion of 10 years from the date of allotment.

* Terms of redemption has not been specified.

5 LONG TERM PROVISIONS

		As at Mar. 31, 16	As at Mar. 31, 15
	Provision for employee benefits		
(A)	- For Gratuity	356,171	---
(B)	- For Leave Encashment	95,186	---
	TOTAL	451,357	---

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6 SHORT TERM BORROWINGS

(Amount in Rs.)

		As at Mar. 31, 16	As at Mar. 31, 15
	Unsecured		
(A)	Loans from body corporate other than related party	502,444,640	—
	TOTAL	502,444,640	—

7 TRADE PAYABLE

		As at Mar. 31, 16	As at Mar. 31, 15
	Trade Payable		
(A)	Micro, Small and Medium Scale Industries	—	—
(B)	Others	896,269,439	355,534,587
	TOTAL	896,269,439	355,534,587

8 OTHER CURRENT LIABILITIES

		As at Mar. 31, 16	As at Mar. 31, 15
(A)	Other payables		
	(1) Statutory Authorities	663,307	240,728
	(2) Other liabilities	258,840,185	847,261
	TOTAL	259,503,492	1,087,989

9 SHORT TERM PROVISIONS

		As at Mar. 31, 16	As at Mar. 31, 15
(A)	For Income Tax	1,810,000	2,475,000
	TOTAL	1,810,000	2,475,000

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ARTH TRADING PVT. LTD.

Notes to Financial Statements

10. FIXED ASSETS

Amount in Rs.

Name of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on April1, 2015	Addition during the year	Deduction during the year	As at March 31, 2016	Up to March 31, 2015	For the year	Adjustment	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
TANGIBLES										
Computer & Printers	79,560	-	-	79,560	52,539	23,041	-	75,580	3,980	27,021
Grand Total	79,560	-	-	79,560	52,539	23,041	-	75,580	3,980	27,021
Previous Year	79,560		-	79,560	17,349	35,190	-	52,539	27,021	-

10.1 None of the Assets have been written off on account of reduction of capital during the year since inception of the company.

102 The company has not revalued any fixed assets during the year since inception of the company..

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ARTH TRADING PRIVATE LIMITED
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Schedules Forming Part of the Balance Sheet

(Amount in Rs.)

SCHEDULE : 11 - Non-current investments (Long Term)	No. of Shares	Face Value per Share	AS AT 31/03/2016	AS AT 31/03/2015
(A) QUOTED INVESTMENTS IN SHARES & SECURITIES(AT COST)				
(1) Gujarat Lease Financing Ltd.	187	10	3074	3074
(2) Mazda Industries & Leasing Ltd.	100	10	5987	5987
(3) World Link Finance Ltd	100	10	1869	1869
(4) VB Desai Financial Services Ltd.	100	10	5449	5449
(5) Leafin India Ltd.	100	10	1467	1467
(6) DCL Finance Ltd.	100	10	1407	1407
(7) Fortis Financial Services Ltd.	50	10	1278	1278
(8) First Leasing Co. of India Ltd.	100	10	3636	3636
(9) SRF Finance Ltd.	100	10	3096	3096
(10) Key Corporation Ltd.	100	10	1226	1226
(11) Reliance Capital Ltd.	100	10	4223	4223
(12) HB Leasing and Finance Co.Ltd.	100	10	1708	1708
(13) Lloyds Finance Ltd.	300	10	4391	4391
(14) CIFCO Finance Ltd.	100	10	1366	1366
(15) Harita Finance Ltd.	100	10	1550	1550
(16) TCFC Finance Ltd.	90	10	900	900
(17) HDFC Bank Ltd.	5	10	1500	1500
(18) Sanmar Properties & Invest. Ltd.(Deb.)	50	10	833	833
(19) Nicco Uco Alliance Credit Ltd.	50	10	1333	1333
TOTAL			46293	46293
Market value of Ouoted Investments is Rs.			48065	53982

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12 LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

	As at Mar. 31, 16	As at Mar. 31, 15
Long Term Loans and Advances include:		
(A) Security Deposits		
Unsecured ,considered good	36,100	61,100
(B) Advance Tax	3,890,634	1,204,886
(C) Loans and Advances to company (other than related parties) *	289,276,381	-
Unsecured ,considered good		
TOTAL	**293,203,115**	**1,265,986**
* Loans and Advances have been given for business purpose		

13 Current Investments

	As at Mar. 31, 16	As at Mar. 31, 15
Unquoted		
Investments in Mutual Funds (face value of Rs.10/- each)	141,764,288	----
7104630 (Previous year - Nil) Franklin India Ultra Short Bond Fund (Growth)		
TOTAL	**141,764,288**	----

14 Trade Receivable

	As at Mar. 31, 16	As at Mar. 31, 15
(A) Trade receivables outstanding for a period less than six months		
Unsecured, considered good	68,227,466	291,114,194
(B) Trade receivables outstanding for a period exceeding six months		
Unsecured, considered good	13,080,689	180,752
TOTAL	**81,308,155**	**291,294,946**

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15 INVENTORIES

		As at Mar. 31, 16	As at Mar. 31, 15
(A)	Raw materials	8,966,460	8,667,228
(B)	Work in progress	7,995,391	4,780,906
(C)	Finished Goods	5,372,095	2,098,868
(D)	Stock-in-trade	1,087,704,572	47,409,812
	TOTAL	1,110,038,518	62,956,814

16 CASH AND CASH EQUIVALENTS

		As at Mar. 31, 16	As at Mar. 31, 15
(A)	Balances with banks -		
	(1) In Current Accounts	23,052,692	9,849,821
	(2) Fixed Deposit	-	2,000,000
	Sub total	23,052,692	11,849,821
(B)	Cash on hand	33,417	3,654
(C)	Other Bank Balance Bank Deposit Maturity in Between 3 to 12 Month	15,000,000	---
	TOTAL	38,086,109	11,853,475

17 SHORT TERM LOANS AND ADVANCES

	As at Mar. 31, 16	As at Mar. 31, 15
Prepaid Expenses	226,494	117,094
TOTAL	226,494	117,094

18 OTHER CURRENT ASSETS

	As at Mar. 31, 16	As at Mar. 31, 15
Interest receivable	160,786	11,854
TOTAL	160,786	11,854

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