

ARCO LEASING LIMITED

41ST ANNUAL REPORT 2024-25

ARCO LEASING LIMITED

Annual Report 2024-25

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Rajendra Mahavirprasad Ruia (DIN 01300823), Wholetime Director Mr. Narendra Mahavir Ruia (DIN 01228312), Director and CFO Mr. Srikar Gopalrao (DIN 02116323), Independent Director Mrs. Arpita Aditya Joshi (DIN 10725685), Independent Director (From August 5, 2024 till November 11, 2024) Ms. Aarushi Jain (DIN 10936056) (From February 3, 2025 till May 12, 2025) Mrs. Khadija Taher Raniwala, (DIN: 11237433) (w.e.f. August 13, 2025), Independent Director Mrs. Usha Ghelani, (DIN:10414386) (w.e.f. August 13, 2025), Independent Director
COMPANY SECRETARY AND COMPLIANCE OFFICER	Ms. Reshma Vishal Deshmukh (Membership No. A68764) (from February 3, 2025)
AUDITOR	M/s. M. C. Jain & Co. Chartered Accountants, Mumbai
BANKERS	IDBI Bank, Mumbai
REGISTERED OFFICE	Plot No. 123, Street No. 17, MIDC, Marol, Andheri (E), Mumbai – 400 093, Maharashtra Tel: 022 28217222 Fax: 022 – 28361760 Email id: arcoleasingltd@gmail.com Website: www.arcoleasing.com
REGISTRAR & SHARE TRANSFER AGENT	Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093 Tel: 022- 6263 8222 Fax: 022 – 6263 8299 Email: investor@bigshareonline.com Website: www.bigshareonline.com
CORPORATE INDENTITY NUMBER (CIN)	L65910MH1984PLC031957
Audit Committee	Mrs. Usha Ghelani – Chairman and Member Mr. Srikar Gopalrao - Member Mrs. Khadija Zulfeqar Lokhandwala– Member
Nomination & Remuneration Committee	Mr. Srikar Gopalrao – Chairman and Member Mrs. Khadija Zulfeqar Lokhandwala– Member Mrs. Usha Ghelani– Member

DIRECTORS' REPORT

To,
Dear Members,

Your Directors' are pleased to present the 41st Annual Report and Audited Financial Statements (Standalone & Consolidated) of **ARCO LEASING LIMITED**, for the financial year ended March 31, 2025.

FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2025 is summarized below:

(Rs. In Lakhs)

Particulars	Financial Results (Standalone) For the year ended as at		Financial Results (Consolidated) For the year ended as at	
	31 st March, 2025	31 st March, 2024	31 st March, 2025	31 st March, 2024
Revenue from Operations	Nil	Nil	17.41	14.85
Other Income	1.41	1.28	1.41	1.28
Total Revenue	1.41	1.28	18.82	16.13
Total Expenses	12.65	13.60	13.15	55.15
Profit/(Loss) Before Tax	(11.24)	(12.33)	5.67	(39.03)
Tax Expense (Net)	--	--	4.26	--
Profit /(Loss) After Tax	(11.24)	(12.33)	1.41	(39.03)
Earnings Per Share (Rs.)	(4.68)	(5.13)	0.59	(16.25)

PERFORMANCE OF THE COMPANY

The Company has not generated any revenue from its operations, during the year under review. It has generated other income of Rs.1.41 Lakhs during the year as compared to Rs.1.28 Lakhs in the previous year.

Total expenditure of the Company during the financial year 2024-25 is Rs.12.65 Lakhs as compared to Rs.13.60 Lakhs in the previous year. It has resulted in the losses of Rs.11.24 Lakhs to the Company during the financial year of 2024-25.

Similarly, on Consolidated basis, total income of the Company for the financial year under review is enhanced to Rs. 17.41 Lakhs as compared to Rs.14.85 Lakhs of previous year. Total expenditure of the Company for f.y. 2024-25 on consolidated basis is Rs.13.15 Lakhs which is reduced as compared to Rs.55.15 Lakhs of the previous year. It has mainly happened due to reduction in employee cost and other expenditure. Due to which the Company has earned profit of Rs.5.67 Lakhs on consolidated basis as compared to loss of Rs.39.03 Lakhs.

The Company has earned Net Profit of Rs.1.41 Lakhs on consolidated basis after deduction of Tax of Rs.4.26 Lakhs during the f.y. 2024-25.

There were no material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of the report.

DIVIDEND

To conserve resources for future, your Directors' do not recommend any dividend for the financial year under review. In terms of Regulation 43A of the SEBI (LODR), Regulations 2015, ("the Regulations"), including amendments thereunder, the Dividend Distribution Policy shall not be applicable to the Company.

TRANSFER TO RESERVES

The Directors do not propose to transfer any amount to Reserve.

MAJOR EVENTS OCCURRED DURING THE YEAR

MATERIAL CHANGES FROM END OF FINANCIAL YEAR TILL DATE OF REPORT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report except the Company is exploring the possibilities of divestment of the investments in its wholly owned subsidiary. The said disinvestment shall help to present an attractive monetization opportunity and is in the best interest of the Holding Company and to maximize the Shareholding wealth, which is in the best interest of the stakeholders of the Holding Company.

CHANGE IN NATURE OF BUSINESS

The Company has not undergone any change in the nature of business during the year.

SHARE CAPITAL

The Authorized Share Capital of the Company is Rs.6,00,00,000/- (Rupees Six crores) which comprises of 20,00,000 (Twenty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each and 4,00,000 (Four Lakhs) Cumulative Redeemable Preference Shares of Rs.100/- (Rupees One Hundred) each.

The Paid-up Equity Share Capital is Rs.24,00,700/- (Rupees Twenty Four Lakhs Seven Hundred) divided into 2,40,070 (Two Lakh Forty Thousand and Seventy) equity shares of Rs.10/- (Rupees Ten) each and Paid-up Preference Share Capital is Rs.2,50,00,000/- (Rupees Two Crores Fifty Lakhs only) as on March 31, 2025.

During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants as on March 31, 2025.

LISTING FEES

Equity Shares of your Company are listed on BSE Limited. Due to tight financial situation of the Company, your Company is unable to pay the required listing fees to Stock Exchange.

DEPOSITS

The Company has not accepted any deposits from public under Chapter V of the Companies Act, 2013, during the financial year under review.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis as required under the Listing Regulations forms an integral part of this report and is presented separately. It gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's, and their adequacy, risk management systems and other material developments during the Financial Year 2024-25.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2025, the Board comprised of One Executive Director, One Non-Executive Director and Two Non-Executive Independent Directors.

The Board is well diversified and consists of one Women Director, with effect from February 3, 2025. Hence, the composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Non-Executive Directors and Independent Directors with effect from February 3, 2025.

As on March 31, 2025 following is the Board Structure of the Company -

Sl. No.	Name of the Director/KMP	DIN/PAN	Designation	Executive/Non-Executive
1	Mr. Rajendra Mahavirprasad Ruia	01300823	Whole Time Director	Executive Director
2	Mr. Narendra Mahavir Ruia	01228312	Director	Non Executive Director
3	Mr. Srikar Gopalrao Kowlikar	02116323	Independent Director	Non Executive Director
4	Ms. Aarushi Jain	10936056	Woman Independent Director	Non Executive Director
5	Mr. Narendra Mahavir Ruia	AABPR3674C	Chief Financial Officer (CFO)	---

Appointment, Re-appointment and Resignation of Directors

Section 152 of the Act provides that unless the Articles of Association provide for retirement of all directors at every Annual General Meeting ("AGM"), not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation.

Accordingly, Mr. Narendra Mahavir Ruia (DIN 01300823) Director of the company, is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment pursuant to Section 152 of the Act. Your Board of Directors recommend her re-appointment.

A Profile of Mr. Ruia, as required by Regulation 36(3) of the LODR is given in the Notice convening the forthcoming AGM.

Mr. Kaushik Shah (DIN 01396342) has stepped down from the position of Independent Director due to expiry of his term on May 23, 2024. The Board took note of the same and

places on record their appreciation for the assistance and guidance provided by Mr. Shah during his tenure as Director of the Company.

The Board has appointed Mrs. Arpita Joshi (DIN 10725685) as the Woman Director on the Board of the Company w.e.f. August 5, 2024. However, Mrs. Joshi has given resignation due to personal reasons on November 11, 2024. The Board took note of the same and places on record their appreciation for the assistance and guidance provided by Mrs. Joshi during her tenure as Director of the Company.

On February 3, 2025, Mrs. Aarushi Jain (DIN 10936056) is appointed as Non-executive Independent Director of the Company. The Board is of the opinion that Ms. Aarushi Jain is a person of integrity, expertise, and competent experience and proficiency to serve the Company as an independent director that can strengthen the overall composition of the Board. However, Ms. Jain has tendered her resignation due certain emerging professional commitments and unavoidable circumstances on May 12, 2025. The Board took note of the same and places on record their appreciation for the assistance and guidance provided by Ms. Jain during her tenure as Director of the Company.

On August 13, 2025, Mrs. Khadija Taher Raniwala, (DIN: 11237433) and Mrs. Usha Ghelani, (DIN:10414386) are appointed as Non-Executive Independent Director(s) of the Company. The Board is of the opinion that Mrs. Raniwala and Mrs. Ghelani are the persons of integrity, expertise, and competent experience and proficiency to serve the Company as independent directors that can strengthen the overall composition of the Board.

Appointment and Resignation of Key Managerial Person (KMP)

On May 23, 2024, Ms. Renu Vyas has submitted her resignation with the Board from the position of Company Secretary and Compliance Officer of the Company with effect from May 23, 2024 in order to pursue new career opportunities outside the Company. The Board accepted the resignation and placed on record its sincere appreciation for the valuable contributions made by Ms. Vyas during her association with the Company as a Company Secretary and Compliance Officer. The Board has appointed Ms. Reshma Deshmukh as Company Secretary and Compliance Officer of the Company with effect from February 3, 2025.

Further, during the year under review, the non-executive director of the company had no transactions with the company, even the payment of sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

During the year, there were no changes in the Directors/Key Managerial Personnel of the Company, other than reported above.

Declaration by Independent Directors

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/ her duties with an objective independent judgment and without any external influence.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors (“IDD”) of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA), Manesar, to include their names in the databank of Independent Directors. They have also confirmed that they will appear for the online proficiency test within a period of one year, wherever applicable. (if required/if any)

Further, there has been no change in the circumstances affecting their status as IDD of the Company.

Declaration by the Company

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164(2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

MANAGING DIRECTOR/DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

In terms of the SEBI LODR Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Managing Director & Chief Financial Officer, for the Financial Year 2024-25 with regard to the Financial Statements and other matters. The said Certificate forms part of this Report.

CONSTITUTION OF COMMITTEES

During the year under review, the composition of different Committees of your Board of Directors is given hereunder:

AUDIT COMMITTEE

The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The terms of reference of Audit Committee cover the areas mentioned under Section 177 of the Companies Act, 2013.

The details of composition, meetings and attendance of the Meetings of the Audit Committee are as under:-

S. No	Name	Designation	No. of Meetings	
			Held	Attended
1	Mr. Srikar Gopalrao Kowlikar	Chairman and Member	4	4
2	Mr. Narendra Ruia	Member	4	4
3	Mr. Kaushik Shah*	Member	1	1
4	Mrs. Arpita Joshi**	Member	1	1
5	Ms. Aarushi Jain	Member	0	0

*Mr. Shah ceased to be an Independent Director w.e.f. August 5, 2024.

** Mrs. Arpita Joshi appointed as Independent Director on August 5, 2024 and ceased to be Director w.e.f. November 11, 2024

*** Ms. Aarushi Jain appointed as Independent Director on February 3, 2025 and stepped down from her position on May 12, 2025.

There has been no instance where the Board of Directors had not accepted any recommendation of the Audit Committee.

The Audit Committee is reconstituted post resignation of Mr. Kaushik Shah (DIN 01396342). Mrs. Arpita Joshi (DIN 10725685) has become a member of Audit Committee with effect from August 5, 2024. Mrs. Joshi held the position of member of Audit Committee till November 11, 2024.

The Audit Committee is reconstituted on February 3, 2025 on appointment of Ms. Aarushi Jain. As on March 31, 2025, following are the members of Audit Committee –

S. No	Name	Designation
1.	Mr. Srikar Gopalrao	Chairman and Member
2.	Mr. Narendra Ruia	Member
3.	Ms. Aarushi Jain*	Member

*Ms. Aarushi Jain ceased to a member w.e.f. May 12, 2025.

On August 13, 2025, Mrs. Khadija Taher Raniwala, (DIN: 11237433) and Mrs. Usha Ghelani, (DIN:10414386), Independent Directors are appointed on the Board of the Company. Accordingly, the Audit Committee is reconstituted. Composition of the Audit Committee is as follows –

Sr. No	Name of Committee Member	Position	Category
1	Mrs. Usha Ghelani	Chairperson	Non- Executive Independent Director
2	Mr. Srikar Gopalrao	Member	Non- Executive Independent Director
3.	Mrs. Khadija Zulfeqar Lokhandwala	Member	Non-Executive Independent Director

NOMINATION & REMUNARATION COMMITTEE

The Board has a Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The policy has been displayed on the Company's website viz. www.arcoleasing.com

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under section 178 of the Companies Act, 2013

The details of composition, of the Nomination and Remuneration Committee are as under:

Sr. No	Name	Designation	No of Meetings	
			Held	Attended
1	Mr. Srikar Gopalrao Kowlikar	Chairman and Member	5	5
2	Mr. Rajendra Ruia	Member	5	5

3	Mr. Kaushik Shah*	Member	1	1
4	Ms. Arpita Joshi**	Member	2	2
5	Ms. Aarushi Jain***	Member	0	0

*Mr. Shah ceased to be an Independent Director w.e.f. August 5, 2024.

** Mrs. Arpita Joshi appointed as Independent Director on August 5, 2024 and ceased to be Director w.e.f. November 11, 2024

*** Ms. Aarushi Jain appointed as Independent Director on February 3, 2025 and stepped down from her position on May 12, 2025.

The Nomination and Remuneration Committee is reconstituted on resignation of Mr. Kaushik Shah. Mrs. Arpita Joshi (DIN 10725685) has become a member of Nomination and Remuneration Committee with effect from August 5, 2024. Mrs. Arpita Joshi held the position as member of Nomination and Remuneration Committee till November 11, 2024.

The Nomination and Remuneration Committee is reconstituted on February 3, 2025 on appointment of Ms. Aarushi Jain. As on March 31, 2025, following are the members of Nomination and Remuneration Committee –

S. No	Name	Designation
1.	Mr. Srikar Gopalrao	Chairman and Member
2.	Mr. Rajendra Ruia	Member
3.	Ms. Aarushi Jain*	Member

*Ms. Aarushi Jain ceased to a member w.e.f. May 12, 2025.

On August 13, 2025, Mrs. Khadija Taher Raniwala, (DIN: 11237433) and Mrs. Usha Ghelani, (DIN:10414386), Independent Directors are appointed on the Board of the Company. Accordingly, the Nomination and Remuneration Committee is reconstituted. Composition of the Nomination and Remuneration Committee is as follows –

Sr. No	Name of Committee Member	Position	Category
1	Mr. Srikar Gopalrao	Chairman	Non- Executive Independent Director
2	Mrs. Khadija Zulfeqar Lokhandwala	Member	Non-Executive Independent Director
3	Mrs. Usha Ghelani	Member	Non- Executive Independent Director

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is not constituted by the Company as there are less than One Thousand stakeholders of the Company and the provisions of section 178 of the Act and SEBI (Listing Obligations and Disclosure) Regulations, 2015 are not applicable to the Company.

The Company has duly appointed Share Transfer Agent (R&T Agent) for servicing the shareholders holding shares in physical or dematerialised form. All requests for

dematerialisation of shares are likewise processed and confirmations thereof are communicated to the investors within the prescribed time.

During the year under review, no Investor complaints were pending.

PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The Board has established a comprehensive process to evaluate the performance of the Board, its committees and of individual directors. The performance evaluation matrix defining the criteria of evaluation for each of the above has been put in place. The performance evaluation of the Independent Directors was carried out by the other members of the Board (excluding the Director being evaluated).

A meeting of the Independent Directors was held on February 4, 2025 to review the performance of Non-Independent Directors and the Board as a whole. The Chairman of the Nomination & Remuneration Committee had updated the other members of the Board about the outcome of the evaluation process.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under clause (c) of sub-section (3) of Section 134 of Companies Act, 2013, Directors, to the best of their knowledge and belief, state that –

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended on that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis;
- (v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the statutory auditors to report to the Audit Committee and / or Board under section 143(12) of the Act and rules framed thereunder.

MATERIAL SUBSIDIARY

Ansu Trade & Fiscals Private Limited continue to be the wholly owned subsidiary of Arco Leasing Limited.

ACCOUNTING STANDARDS

The Company has prepared the Financial Statements for the year ended 31st March, 2025 as per Section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

FAMILIARIZATION/ ORIENTATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors attend a Familiarization / Orientation Program as being inducted by the Board.

The Company had devised the detailed framework for the Familiarization Program and also approved the format of the formal letter of appointment as required to be given to the Independent Directors, outlining their role, function, duties and responsibilities.

REMUNERATION POLICY

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection, appointment and remuneration of Directors and KMPs.

Policy for Remuneration to Directors/Key Managerial Personnel

i. Remuneration to Managing Director/Whole-time Directors:

(a) The Remuneration/Commission etc. to be paid to Managing Director / Wholetime Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

(b) The Nomination & Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.

ii. Remuneration to Non-Executive/Independent Directors:

(a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013.

(b) All remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

(c) An Independent Director shall not be eligible to get Stock Options and shall also not be eligible to participate in any share based payment schemes of the Company.

(d) Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

iii. Remuneration to Key Managerial Personnel:

(a) The remuneration to Key Managerial Personnel shall consist of fixed pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

(b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time in accordance with the Company's Policy.

Remuneration paid to Non-Executive Directors and Executive Directors:

No sitting fees were paid to non-executive non-independent Directors or independent Directors as they have waived their entitlement for the same.

Non-executive Directors of a company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition they also play an appropriate control role. Even considering the valuable role of the Independent Directors of the Company, your company is in the process to finalize the sitting fees structure and shall update the members at large subject to regulatory approval and compliance(s) if any.

NUMBER OF MEETINGS OF THE BOARD

There were 5 (Five) meetings of the Board held during the year, specifically on May 23, 2024, August 5, 2024, August 14, 2024, November 11, 2024 and February 3, 2025. The maximum time gap between any two meetings did not exceed prescribed period of one hundred twenty days.

The particulars of directors present at Board meetings are given below –

Sr. No	Dates	Name of the Directors eligible to attend the meetings and whether they attended the meetings (Yes/No/ Not Applicable)					
		Rajendra Mahavirprasad Ruia	Narendra Mahavir Ruia	Srikar Gopalrao Kowlikar	Kaushik Kantilal Shah	Mrs. Arpita Joshi	Ms. Aarushi Jain
1	May 23, 2024	Yes	Yes	Yes	Yes	Not Applicable	Not Applicable
2	August 5, 2024	Yes	Yes	Yes	Not Applicable	As an Invitee	Not Applicable
3	August 14, 2024	Yes	Yes	Yes	Not Applicable	Yes	Not Applicable

4	November 11, 2024	Yes	Yes	Yes	Not Applicable	Yes	Not Applicable
5	February 3, 2025	Yes	Yes	Yes	Not Applicable	Not Applicable	As an Invitee
Total		5	5	5	1	2	Nil

COMPLIANCE WITH SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to “Meetings of the Board of Directors” and “General Meetings”, respectively.

IMPLEMENTATION OF CORPORATE ACTION

During the year under review, the Company has allotted 2,50,000 Redeemable Preference Shares of Rs.100/- each to Essar Steel Metal Trading Limited on private placement basis. The implementation of corporate action of the same is delayed, due to various technical difficulties. However, the Company is under process of completing the said corporate action as soon as possible.

AUDIT COMMITTEE RECOMMENDATIONS

All the recommendations made by the Audit Committee were accepted by the Board.

CORPORATE GOVERNANCE

Corporate Governance stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the Company as Paid-Up Equity Share Capital of the Company is not exceeding Rupees Ten Crores and Net Worth of the Company is not exceeding Rupees Twenty-Five Crores, as on the last date of the previous financial year and the specific certificate to this effect has been obtained by the Company & kept on its records.

STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members at the 36th Annual General Meeting of the Company held on September 28, 2020, had appointed M. C. Jain & Co., Chartered Accountants, Mumbai, having FRN.: 304012E as the Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the 36th Annual General Meeting till the conclusion of ensuing 41st Annual General Meeting of the Company.

The Board has proposed in its meeting held on August 25, 2025, the re-appointment of M. C. Jain & Co., Chartered Accountants, Mumbai, (FRN.: 304012E) as the Statutory Auditors for the second term of five years. M. C. Jain & Co., Chartered Accountants, Mumbai, (FRN.: 304012E) have expressed their willingness for re-appointment and have furnished a certificate of eligibility and consent under Section 139 and 141 of the Act.

The Board has recommended the appointment of M. C. Jain & Co. Chartered Accountants, Mumbai, (FRN.: 304012E) as the Statutory Auditor of the Company for a further term of five years from the conclusion of 41st Annual General Meeting (AGM) till the conclusion of the 46th AGM to be held for the f.y. 2029-30.

There is no audit qualification, reservation or adverse remark for the year under review.

The Auditors' Report to the Members for the year under review is unmodified and does not contain any qualification. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act.

INTERNAL AUDITOR

Internal Audit for the year ended March 31, 2025 was carried out and Internal Audit report at periodic intervals as statutorily required were placed before the Audit Committee.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder the Company has appointed Ms. Priyanka Oka, of M/s. PRIYANKA OKA & ASSOCIATES, Practicing Company Secretaries bearing CP No. 22164 as secretarial auditor for the Company. The secretarial audit report in the prescribed form i.e. MR-3 for the Financial Year ended 31st March, 2025 is annexed to the Board Report.

There were no qualifications, reservation or adverse remarks or observations made in the secretarial audit report except following –

- 1. The Company has filed certain Forms and Returns beyond the time limit specified under the Companies Act, 2013 read with Rules made thereunder – Due to various technical difficulties, the Company was unable to file certain Forms and Returns during the stipulated time.**
- 2. The Company has appointed Mrs. Arpita Joshi as the Non-Executive Independent Woman Director on the Board of the Company w.e.f. August 5, 2024. Mrs. Joshi stepped down from her position w.e.f. November 11, 2024. Ms. Aarushi Jain is appointed as Non-Executive Independent Woman Director on the Board of the Company w.e.f. February 3, 2025.*

There is no Woman Director on the Board of the Company from April 1, 2024 till August 4, 2024 and from November 12, 2024 till February 2, 2025. In view of the same, it is observed that the composition of the Board of the Company is not as per the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the appointment of Woman Director during the

said period.: The Company was in search of Woman Independent Director after the resignation of Woman Director. Due to tight financial situation of the Company, the Company was not in a position to pay remuneration/sitting fees to the Directors. And hence there was problem in getting Directors on the Board of the Company.

3. *Ms. Renu Vyas, Company Secretary and Compliance Officer has resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. May 23, 2024. Ms. Reshma Vishal Jadhav is appointed as Company Secretary and Compliance Officer of the Company on February 3, 2025. It is observed that since May 23, 2024 to February 2, 2025, the position of Company Secretary is vacant* : **The Company was in search of a candidate for the position of Company Secretary after the resignation of Ms. Renu Vyas. Due to tight financial situation of the Company, the Company was not in a position to pay hefty salaries to the candidates. And hence there was problem in getting candidates for the position of the Company Secretary. However, the company has appointed Ms. Reshma Jadhav as Company Secretary and Compliance Officer of the Company w.e.f. February 3, 2025.**
4. *The Company has allotted 2,50,000 cumulative redeemable preference shares of Rs.100/- each, on private placement basis to Essar Steel Metal Trading Limited on October 19, 2023. Form PAS-3 for allotment of said preference shares was filed on May 27, 2024. The Company is yet to complete the formalities pertaining to the dematerialisation of said securities.*: **During the year under review, the Company has allotted 2,50,000 cumulative redeemable Preference Shares of Rs.100/- each to Essar Steel Metal Trading Limited, on private placement basis. The implementation of corporate action and filling of Form PAS-3 with MCA of the same is delayed, due to various technical difficulties. However, the Company is under process of completing the said corporate action as soon as possible.**
5. **As there is no Company Secretary during the period from May 23, 2024 to February 2, 2025, the Company has submitted Compliance Certificate pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SDD certificate) with the Stock Exchange under the signatures of Director of the Company, for the Quarter ended June 30, 2024, September 30, 2024 and December 31, 2024: As there is no Company Secretary during the period from May 23, 2024 to February 2, 2025, the Company has submitted Compliance Certificate pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SDD certificate) with the Stock Exchange under the signatures of Director of the Company, for the Quarter ended June 30, 2024, September 30, 2024 and December 31, 2024..**

SECRETARIAL COMPLIANCE REPORT

Your Company's paid-up equity share capital and net worth, on last day of the previous year, i.e., on March 31, 2025 are below the threshold limits mentioned in the Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Hence, the compliance with respect to Regulation 24A, i.e., Secretarial Compliance Report is not applicable to the Company for the financial year under review.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules made thereunder, the Company had formulated and adopted a Policy on Prevention of Sexual Harassment at Workplace.

The Company has not received any complaint of sexual harassment during the year under review.

RISK MANAGEMENT POLICY

Business Risk Evaluation and Management is an ongoing process within the Organization. Your Company has implemented mechanism to identify, assess, monitor and mitigate various risks and has formulated a Risk Management Policy. The Audit Committee and the Board of Directors are informed of the Risk assessment and minimization procedures.

During the year under review, no major risks were noticed, which may threaten the existence of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. But your Company has approved the CSR policy of the Company along with the amendments thereon to provide a guideline for CSR activities of the Company.

Your Company was in the process of identifying worthwhile avenues for CSR expenditure during the year and the Company continues to remain committed towards undertaking CSR activities for the welfare of the society.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There is no information regarding loans and guarantees as required under the provisions of Section 186 of the Companies Act, 2013 as the Company has not given any loans or provided any guarantees or securities during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES

There is no transaction with Related Party within the meaning of provisions of section 188 of the Companies Act, 2013, which requires disclosure under Section 134(3) (h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014. Related Party Disclosures under Accounting Standards mentioned in Note-21 to the Financial Statements. Hence, AOC -2 is not required to be attached to the said report.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and specified employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behavior in any form and the Board has laid down certain directives to counter such acts. Such code of conduct has also been placed on the Company's website. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in

dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. A declaration to this effect signed by the Whole Time Director of the Company appears elsewhere in this annual report.

Code of Conduct for Prevention of Insider Trading as per Regulation 8(2) policy is available on the website of the Company.

PARTICULARS OF EMPLOYEES

The Company does not have any employee except KMPs. Therefore, the information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is not furnished.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism Policy/ Whistle Blower Policy to deal with instances of fraud and mismanagement, if any which provides formal mechanism to the directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Staying true to our core values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and Stakeholder Responsibility. The said Policy ensures that strict confidentiality is maintained in respect of whistle blowers whilst dealing with concerns and also specified that no discrimination will be meted out to any person for a genuinely raised concern. The Policy on Vigil Mechanism/Whistle Blower Mechanism may be accessed through website of the Company viz. www.arcoleasing.com

PERFORMANCE OF JOINT VENTURE/CONSORTIUM

There are no Companies/LLPs which are Associates/Consortium of the Company.

STATUTORY DISCLOSURES

There are no associate companies but there is subsidiary company as of March 31, 2025, hence the prescribed Form AOC-1 is required to be attached to this Report. A Cash Flow Statement for the Financial Year 2024-25 is also attached to the Balance Sheet.

Pursuant to Sections 134(3)(a) and 92(3) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in e-form MGT-7 may be accessed on the Company's website at the web link www.arcoleasing.com

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has not involved in any industrial or manufacturing activities, the Company has no particulars to report regarding conservation of energy and technology absorption as required under Section 134 of the Companies Act, 2013 and Rules made thereunder.

During the year under review, the Company did not have any foreign exchange earnings, or the foreign exchange outgo towards Business promotion, Advertisement expenses, Legal consultancy and Professional fees.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has an effective internal financial control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures which also covers adherence to the Company's Policies for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial disclosures.

The Company's internal financial control system is commensurate with its size, scale and complexities of its operations.

PREVENTION OF INSIDER TRADING

The Company has also adopted a code of conduct for prevention of insider trading. All the Directors, Senior Management employees and other employees who have access to the unpublished price sensitive information of the Company are governed by this code.

During the year under report, there has been due compliance with the said code of conduct for prevention of insider trading based on the SEBI (Prohibition of Insider Trading) Regulations 2015.

SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND OPERATIONS OF THE COMPANY

During the year under review there are no significant or material orders passed by any Regulator, Court or Tribunal against the Company, which could impact its going concern status or operations.

DETAILS OF AN APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

The Company has not made any application during the year or no application has been filed against the company or there are no proceedings pending against or for the Company under the Insolvency and Bankruptcy Code 2016.

DETAILS OF THE DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

There is no one time settlement made during the financial year.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

No such process initiated during the period under review under the Insolvency and Bankruptcy Code, 2016 (IBC).

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, including amendment thereunder, the Business Responsibility and Sustainability Report (BRSR) for Financial Year 2024-25 is not applicable to the Company.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in the government regulations, developments in the infrastructure segment, tax regimes and economic developments within India or abroad.

ACKNOWLEDGEMENT & APPRECIATION

The Board sincerely thanks the Ministry of Corporate Affairs, BSE Limited, Securities and Exchange Board of India, and various government agencies for their continued support, cooperation and advice. The Board expresses sincere thanks to all its consultants, bankers, vendors, auditors, lawyers for their continued partnership and confidence in the Company.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company, its subsidiaries and associates and thanks them for yet an excellent year of performance.

BY AND ON BEHALF OF THE BOARD OF DIRECTORS FOR ARCO LEASING LIMITED

RAJENDRA RUIA
WHOLETIME DIRECTOR
DIN: 01300823

NARENDRA RUIA
DIRECTOR & CFO
DIN: 01228312

Place: Mumbai

Date: August 25, 2025

ANNEXED TO THIS REPORT

1	ANNEXURE A	SECRETARIAL AUDIT REPORT FORM NO. MR-3
2	ANNEXURE A2	SECRETARIAL AUDIT REPORT FORM NO. MR-3 OF SUBSIDIARY COMPANY
3	ANNEXURE B	A STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF ASSOCIATE COMPANIES/JOINTVENTURES IN PRESCRIBED FORM AOC-1.
4	ANNEXURE C	DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUBSECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO IN PRESCRIBED FORM AOC-2
5	ANNEXURE D	MANAGEMENT DISCUSSION ANALYSIS
4	ANNEXURE E	CEO CFO CERTIFICATE
5	ANNEXURE F	CERTIFICATION FOR NO FALSE INFORMATION
6	ANNEXURE G	COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF CONDUCT
7	ANNEXURE H	DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

**Form No. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Arco Leasing Limited (CIN L65910MH1984PLC031957)
Plot No. 123, Street No. 17,
MIDC, Marol, Andheri (E),
Mumbai – 400 093

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arco Leasing Limited** (hereinafter referred to as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **[Not Applicable as there was no transaction happened during the period under review]**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

PRIYANKA OKA & ASSOCIATES

Practicing Company Secretaries

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable as the Company has not offered any Employee Stock Purchase Scheme during the period under review]**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as the Company has not issued any debt securities during the period under review]**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **[There were no events occurred during the period which attracts provisions of these regulations, hence not applicable];**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as there was no reportable event during the period under review]**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable as there was no reportable event during the period under review]**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following –

1. The Company has filed certain Forms and Returns beyond the time limit specified under the Companies Act, 2013 read with Rules made thereunder.
2. The Company has appointed Mrs. Arpita Joshi as the Non-Executive Independent Women Director on the Board of the Company w.e.f. August 5, 2024. Mrs. Joshi stepped down from her position w.e.f. November 11, 2024. Ms. Aarushi Jain is appointed as Non-Executive Independent Woman Director on the Board of the Company w.e.f. February 3, 2025.

There is no Woman Director on the Board of the Company from April 1, 2024 till August 4, 2024 and from November 12, 2024 till February 2, 2025. In view of the same, it is observed that the composition of the Board of the Company is not as per the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to the appointment of Woman Director during the said period.

3. Ms. Renu Vyas, Company Secretary and Compliance Officer has resigned from the position of Company Secretary and Compliance Officer of the Company w.e.f. May 23, 2024. Ms. Reshma

Address: B102, Dhanashree CHS, M. G. Road, Naupada, Thane (W) – 400 602, Maharashtra, India.

Mobile: 9819731842, **Email:** cspriyankaoka@yahoo.com

PRIYANKA OKA & ASSOCIATES

Practicing Company Secretaries

Vishal Jadhav is appointed as Company Secretary and Compliance Officer of the Company on February 3, 2025. It is observed that since May 23, 2024 to February 2, 2025, the position of Company Secretary was vacant.

4. The Company has allotted 2,50,000 cumulative redeemable preference shares of Rs.100/- each, on private placement basis to Essar Steel Metal Trading Limited on October 19, 2023. Form PAS-3 for allotment of said preference shares was filed on May 27, 2024. The Company is yet to complete the formalities pertaining to the dematerialisation of said securities.
5. As there is no Company Secretary during the period from May 23, 2024 to February 2, 2025, the Company has submitted Compliance Certificate pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SDD certificate) with the Stock Exchange under the signatures of Director of the Company, for the Quarter ended June 30, 2024, September 30, 2024 and December 31, 2024.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of the Board of Directors during the period under review in accordance with the applicable provisions of Companies Act, 2013 and other applicable legislation(s).

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company does not have any events having a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Signature:

Name of Company Secretary in practice / Firm: **PRIYANKA OKA & ASSOCIATES**

Date: **August 25, 2025**

Place: **Thane**

FCS No.: **10084**

CP No. : **22164**

UDIN: F010084G001075907

Address: B102, Dhanashree CHS, M. G. Road, Naupada, Thane (W) – 400 602, Maharashtra, India.

Mobile: 9819731842, **Email:** cspriyankaoka@yahoo.com

PRIYANKA OKA & ASSOCIATES

Practicing Company Secretaries

To,
The Members,
Arco Leasing Limited (CIN L65910MH1984PLC031957)
Plot No. 123, Street No. 17,
MIDC, Marol, Andheri (E),
Mumbai – 400 093

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Name of Company Secretary in practice / Firm: **PRIYANKA OKA & ASSOCIATES**

Date: **August 25, 2025**

Place: **Thane**

FCS No.: **10084**

CP No. **22164**

Address: B102, Dhanashree CHS, M. G. Road, Naupada, Thane (W) – 400 602, Maharashtra, India.
Mobile: 9819731842, **Email:** cspriyankaoka@yahoo.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

To,
The Members,
Ansu Trade & Fiscals Pvt Ltd (CIN U65100WB1990PTC049122)
EP-Y-16, Sector - V,
Kolkata - 700091, West Bengal

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ansu Trade & Fiscals Pvt Ltd** (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **[Not Applicable as there was no transaction happened during the period under review]**

PRIYANKA OKA & ASSOCIATES

Practicing Company Secretaries

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **[Not applicable as the Company is not listed at any Stock Exchange]**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **[Not applicable as the Company is not listed at any Stock Exchange]**
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not applicable as the Company has not issued any further share capital during the period under review]**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable as the Company has not offered any Employee Stock Purchase Scheme during the period under review]**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as the Company has not issued any debt securities during the period under review]**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **[There were no events occurred during the period which attracts provisions of these regulations, hence not applicable]**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as there was no reportable event during the period under review]**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable as there was no reportable event during the period under review]**

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except following –

PRIYANKA OKA & ASSOCIATES

Practicing Company Secretaries

1. The Company has filed certain Forms and Returns beyond the time limit specified under the Companies Act, 2013 read with Rules made thereunder.
2. There is no Independent Director on the Board of the Company during F.Y. 2024-25.
3. The Company is yet to file Form BEN-2 with ROC after acquisition of shares of the Company by listed entity.

I further report that

The Board of Directors of the Company is duly constituted except the appointment of Third Director. There were changes in the composition of the Board of Directors during the period under review in accordance with the applicable provisions of Companies Act, 2013 and other applicable legislation(s).

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company does not have any events having a major bearing on its affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Signature:

Name of Company Secretary in practice / Firm: **PRIYANKA OKA & ASSOCIATES**

Date: **August 25, 2025**

Place: **Thane**

FCS No.: **10084**

CP No. : **22164**

UDIN: F010084G001075995

Address: B102, Dhanashree CHS, M. G. Road, Naupada, Thane (W) – 400 602, Maharashtra, India.

Mobile: 9819731842, **Email:** cspriyankaoka@yahoo.com

PRIYANKA OKA & ASSOCIATES

Practicing Company Secretaries

To,
The Members,
Ansu Trade & Fiscals Pvt Ltd (CIN U65100WB1990PTC049122)
EP-Y-16, Sector - V,
Kolkata -700091,
West Bengal

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Name of Company Secretary in practice / Firm: **PRIYANKA OKA & ASSOCIATES**

Date: **August 25, 2025**

Place: **Thane**

FCS No.: **10084**

CP No. **22164**

Address: B102, Dhanashree CHS, M. G. Road, Naupada, Thane (W) – 400 602, Maharashtra, India.

Mobile: 9819731842, **Email:** cspriyankaoka@yahoo.com

ARCO LEASING LIMITED

(CIN: L65910MH1984PLC031957)

AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures)

Part A: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Amount in Rs.
1	Name of the Subsidiary	ANSU TRADE & FISCALS PVT LTD
2	Reporting period for the company and its subsidiary concerned.	31.03.2025
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
4	Share capital	18,596,300.00
5	Reserves & surplus	1,468,356.34
6	Total assets	27,252,596.00
7	Total liabilities	7,187,940.00
8	Investments	26,864,298.91
9	Turnover	1,740,945.21
10	Profit before taxation	1,690,887.21
11	Provision for taxation	425,600.00
12	Profit after taxation	1,265,287.21
13	Proposed dividend	-
14	% of equity shareholding	100%

For and on behalf of the Board of Directors of Arco Leasing Limited

Rajendra Ruia
Whole Time Director
DIN: 01300823

Narendra Ruia
Director & CFO
DIN 01228312

Place: Mumbai
Date: August 25, 2025

ARCO LEASING LIMITED

Regd. Office: Plot No. 123, Street No 17, MIDC Marol, Andheri (E), Mumbai - 400093.
Tel: 022 28217222, **Fax:** 022-28361760, **Email id:** arcoleasingltd@gmail.com
CIN:- L65910MH1984PLC031957, **Website:** www.arcoleasing.com

Annexure C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: THERE WAS NO CONTRACT OR ARRANGEMENTS WITH THE RELATED PARTY HENCE, NOT APPLICABLE.

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis: THERE WAS NO CONTRACT OR ARRANGEMENTS WITH THE RELATED PARTY HENCE, NOT APPLICABLE.

- (a) Name(s) of the related party and nature of relationship:
- (b) (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

**BY AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR ARCO LEASING LIMITED**

RAJENDRA RUIA
WHOLE TIME DIRECTOR
DIN: 01300823

NARENDRA RUIA
DIRECTOR
DIN: 01228312

Place: Mumbai
Date: August 25, 2025

Management Discussion and Analysis Report**Company Overview & Economy Analysis**

India's growth momentum moderated sequentially in FY 24-25, but services and agriculture sectors remained robust. Going forward, growth in FY 25-26 is expected to moderate in comparison to FY 24-25 but is likely to be better than most global peers. Private consumption is also expected to get a boost going forward due to income tax relief announced by the government and monetary easing by the Reserve Bank of India (RBI). Further, private corporate sector capital expenditure has potential to accelerate in view of low leverage, increasing capacity utilisation, consistent corporate profitability and a robust banking sector balance sheet. However, a difficult external environment due to trade uncertainties could dampen investment sentiments. Comfortable current account deficit (due to better-than-expected services export) and adequate forex reserves have also fared well for India's external sector. However, an escalation in geopolitical tensions and the possibility of a trade war are key risks to this growth outlook

Looking ahead, the medium-term outlook for the Indian economy seems optimistic, driven by policy continuity, benefits from production-linked incentive schemes, opportunities arising from shift in the global supply chain and the likely boost to private consumption due to income tax relief and lower borrowing cost.

FY 24-25 witnessed relative stability from the debt market perspective. Liquidity conditions tightened post September 2024 due to FII outflows from Indian equities. However, RBI action to ease liquidity conditions through a host of measures (OMO purchases, currency swaps VRRs etc.) since December 2024 helped bring down the deficit and liquidity is likely to be in reasonable surplus in the coming months. The government also followed its fiscal consolidation path, a positive development from the perspective of the debt market. The RBI has highlighted that CPI inflation is likely to touch a low of 3.8% YoY by Q3FY26 (before rising marginally to 4.2% in Q4FY26). However, global trade environment has become uncertain amidst sweeping tariffs by the US.

Non-Banking Financial Companies (NBFCs) play a pivotal role in India's financial ecosystem, catering to a wide spectrum of borrowers including MSMEs and financially underserved populations thereby advancing financial inclusion and generating employment across the country. Leveraging their deep market understanding and widespread geographic reach, NBFCs have efficiently addressed diverse credit needs with agility and responsiveness. In FY 2023-24, the sector continued to anchor credit growth, with assets under management (AUM) reaching approximately H 47 trillion¹¹ and is projected to reach H 53.7 trillion as on March 31, 2025. Growth was primarily driven by robust retail lending activity and demand from small businesses, despite increased regulatory scrutiny such as enhanced risk weights on unsecured loans and tighter supervision of riskier segments.

In FY 2025–26, the sector is expected to benefit from supportive macroeconomic measures. Budgetary tax reliefs and sustained repo rate cuts are likely to increase disposable income and enhance loan eligibility, offering a tailwind to credit expansion. Strategic public investments and digital lending innovations are also set to drive operational efficiency and sustained growth across the NBFC landscape.

Looking ahead, NBFC AUM, credit growth is projected to moderate to 13–15% lower than the 17% average seen over the past two years reflecting a high base, recalibrated risk strategies,

and more conservative growth approaches in unsecured lending. Despite this, the sector remains on a strong footing, buoyed by continued retail demand, digital transformation, and its integral role in India's broader financial inclusion journey.

The NBFC sector is poised for stronger growth in FY 2025–26, supported by recent repo rate cuts by the Reserve Bank of India and changes in income tax slabs aimed at boosting consumer spending. According to a CRISIL report, AUM growth is expected to recover to 16-18%¹² in FY 2026-27, following a moderation in FY 2025-26. The report also projects stable overall asset quality for the sector in the current fiscal.

With the RBI's supportive regulatory framework and initiatives aimed at promoting financial inclusion and literacy, the financial services sector showed sustained growth.

The Company has not generated any revenue from its operations, during the year under review. The Total Revenue for the financial year under review was Rs. 1.41 lakhs as against Rs. 1.28 lakhs for the previous financial year, there was slight increase in the other income of the Company than the previous year. However, total expenditure of the Company during the financial year 2024-25 is Rs.12.65 Lakhs as compared to Rs.13.60 Lakhs in the previous year. It has resulted in the losses of Rs.11.24 Lakhs to the Company during the financial year of 2024-25.

There were no material changes and commitments affecting the financial position of the Company, between the end of the financial year and the date of this Report.

Industry

The NBFC sector is poised for stronger growth in FY 2025–26, supported by recent repo rate cuts by the Reserve Bank of India and changes in income tax slabs aimed at boosting consumer spending. According to a CRISIL report, AUM growth is expected to recover to 16-18%¹² in FY 2026-27, following a moderation in FY 2025-26. The report also projects stable overall asset quality for the sector in the current fiscal.

Risk Management & Internal Control System

The company has established Risk Management (IRM) policy, endorsed by the Board and subject to regular review, to oversee and manage the spectrum of risks inherent in our operations.

Outlook

Your Company is taking continuous efforts to generate the growth drivers, considering the strategic priorities and keeping a track on information technology developments and compliances thereon.

Cautionary Statement

Statements in the Management Discussion and Analysis, describing our Company's objectives, outlook, opportunities, and expectations may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied expectations or projections, among others. Several factors make a significant difference to our Company's operations including the government

regulations, taxation and economic scenario affecting demand and supply, natural calamity and other such factors over which our Company does not have any direct control.

CEO / CFO Certification

Pursuant to Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We the undersigned, in our respective capacities as Director and Chief Financial Officer of ARCO LEASING LIMITED (“the Company”) to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements for the year ended March 31, 2025 and that to the best of our knowledge and belief, we state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s code of conduct.
- C. We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) significant changes, if any, in internal control over financial reporting during the year;
 - (2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

For ARCO LEASING LIMITED

RAJENDRA RUIA
WHOLE TIME DIRECTOR
DIN: 01300823

NARENDRA RUIA
DIRECTOR and CHIEF FINANCIAL OFFICER
DIN 01228312

Place: Mumbai

Date: August 25, 2025

CERTIFICATE

To

The Board of Directors
ARCO LEASING LIMITED
Mumbai

Pursuant to Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to certify that the Financial Results for the Year ended 31st March, 2025, do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

For ARCO LEASING LIMITED

RAJENDRA RUIA
WHOLE TIME DIRECTOR
DIN: 01300823

NARENDRA RUIA
DIRECTOR and CHIEF FINANCIAL OFFICER
DIN 01228312

Place: Mumbai
Date: August 25, 2025

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF CONDUCT

To,
The Members of
Arco Leasing Limited
Mumbai

The Board has formulated the Code of Conduct for Business Ethics for all Directors and Senior Managers of the Company which has been posted on the website of the Company. It is hereby affirmed that all Directors and KMPs/Senior Managers have complied with the Code of Conduct for Business Ethics framed by the Company and a confirmation to this effect for the year 2024-25 has been obtained from all Directors and KMPs/Senior Managers.

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai

Date : August 25, 2025

Rajendra Ruia
Whole Time Director
DIN: 01300823

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT
PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel as required under Regulation 26(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the F.Y. 2024-25.

For ARCO LEASING LIMITED

RAJENDRA RUIA
WHOLETEIME DIRECTOR
DIN: 01300823

Place: Mumbai
Date: August 25, 2025

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To
The Board of Directors of
Arco Leasing Limited**

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Arco Leasing Limited (the "Company") for the quarter and year ended March 31, 2025 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2025.

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, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors 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 Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

The Statement includes the results for the quarter ended March 31, 2025 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2025 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For M.C.Jain & Co.
Chartered Accountants

(C.A.Vatsal Gohil)
Partner

Membership no. 146059
Firm Registration no. 304012E
Mumbai, May 12, 2025
UDIN : 25146059BMLDMQ4461

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**To
The Board of Directors of
Arco Leasing Limited**

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Arco Leasing Limited ("Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, for the quarter ended and year ended March 31, 2025 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, the Statement:

- i. includes the results of the following entities;
 - Arco Leasing Limited
 - Subsidiaries
- a. Ansu Trade and Fiscals Private Limited

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit, other comprehensive income and other financial information of the Group for the quarter ended and for the year ended March 31, 2025.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its associates 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 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 obtained by us and other auditors in terms of their reports referred to in “Other Matter” paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management’s Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit (loss) and other comprehensive income and other financial information of the Group including its associates in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates 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 the 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the respective entities.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group and its associates 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 Statement 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group and its associates of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

The Statement includes the results for the quarter ended March 31, 2025 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2025 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For M.C.Jain & Co.
Chartered Accountants

(C.A.Vatsal Gohil)
Partner

Membership no. 146059
Firm Registration no. 304012E
Mumbai, May 12, 2025
UDIN : 25146059BMLDMR8495

ARCO LEASING LIMITED
BALANCE SHEET AS AT MARCH 31, 2025

	Note No.	As at	As at
		March 31, 2025	March 31, 2024
		₹ in lakhs	₹ in lakhs
ASSETS			
Non Current Assets			
Financial Assets			
Investments	2	217.19	217.19
Other Non Current Assets	3	-	-
		217.19	217.19
Current Assets			
Financial Assets			
Investments	4	20.15	18.73
Trade Receivables	5	-	-
Cash and Cash Equivalents	6a	0.68	0.54
Bank Balances Other Than Above	6b	-	-
Other Financial Assets	7	1.85	1.85
		22.68	21.12
TOTAL ASSETS		239.87	238.31
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	24.01	24.01
Other Equity	9	(67.14)	(55.91)
		(43.13)	(31.90)
Liabilities			
Current Liabilities			
Financial liabilities			
<u>Trade Payables</u>	10		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		21.07	8.57
Other Financial Liabilities	11	250.00	250.00
Other Current Liabilities	12	11.42	11.12
Current Tax Liabilities (Net)	13	0.52	0.52
		283.00	270.21
TOTAL EQUITY AND LIABILITIES		239.87	238.31

Significant Accounting Policies
(Notes forms integral part of Accounts)

1

As per our report of even date

For M.C.Jain & CO
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors
For Arco Leasing Ltd

CA Vatsal Gohil
Partner
Membership No.: 146059
Place: Mumbai
Date: 12-May-2025

Rajendra Ruia
Whole Time Director
DIN:01300823
Place: Mumbai
Date: 12-May-2025

Narendra Ruia
Director & CFO
DIN:01228312

Reshma Deshmukh
Company Secretary
M.no. A68764

ARCO LEASING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Note No.	For the year ended March 31, 2025 ₹ in lakhs	For the year ended March 31, 2024 ₹ in lakhs
Revenue			
Revenue from Operations		-	-
Other Income	14	1.41	1.28
Total Income		1.41	1.28
Expenses			
Employee Cost		-	0.93
Other Expenses	15	12.65	12.67
Total Expenses		12.65	13.60
Profit/(Loss) from ordinary activities before tax		(11.24)	(12.33)
Tax expense			
a) Current Tax		-	-
b) Deferred Tax		-	-
Profit/(Loss) after tax		(11.24)	(12.33)
Other Comprehensive Income		-	-
Total Comprehensive Income (comprising loss and other comprehensive income)		(11.24)	(12.33)
Basic & Diluted Earnings per Share of ₹ 10 each	16	(4.68)	(5.13)

Significant Accounting Policies
(Notes forms integral part of Accounts)

1

As per our report of even date

For M.C.Jain & CO
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors
For Arco Leasing Ltd

CA Vatsal Gohil
Partner
Membership No.: 146059
Place: Mumbai
Date: 12-May-2025

Rajendra Ruia
Whole Time Director
DIN:01300823
Place: Mumbai
Date: 12-May-2025

Narendra Ruia
Director & CFO
DIN:01228312

Reshma Deshmukh
Company Secretary
M.no. A68764

ARCO LEASING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

A. EQUITY SHARE CAPITAL

	(₹ in lakhs)
Balance as at March 31, 2023	24.01
Changes in share capital during the year	-
Balance as at March 31, 2024	24.01
Changes in share capital during the year	-
Balance as at March 31, 2025	24.01

B. OTHER EQUITY

	(₹ in lakhs)
As at March 31, 2023	(37.79)
Profit/(loss) for the year	(12.33)
Other Comprehensive Income	-
As at March 31, 2024	(50.12)
Profit/(loss) for the year	(12.33)
Other Comprehensive Income	-
As at March 31, 2025	(62.44)
Profit/(loss) for the year	(11.24)
Other Comprehensive Income	-
Total	(73.68)

As per our report of even date

For M.C.Jain & CO
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors
For Arco Leasing Ltd

CA Vatsal Gohil
Partner
Membership No.: 146059
Place: Mumbai
Date: 12-May-2025

Rajendra Ruia
Whole Time Director
DIN:01300823
Place: Mumbai
Date: 12-May-2025

Narendra Ruia
Director & CFO
DIN:01228312

Reshma Deshmukh
Company Secretary
M.no. A68764

ARCO LEASING LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

	Year ended March 31, 2025	Year ended March 31, 2024
Cash Flow From Operating Activities	-	-
Profit before taxation	(11.24)	(12.33)
Adjustment for:		
Net Loss / (Gain) on sale of Investment	-	-
Fair Value changes in Non Current Investments	(1.41)	(1.28)
Interest income	-	-
Operating Profit / (Loss) before working capital changes	(12.65)	(13.60)
Adjustment for:		
(Increase)/Decrease in Receivables	-	-
(Increase)/Decrease in Current Assets and Financial assets	-	(0.48)
Increase / (Decrease) in Payables and Financial liabilities	12.79	(36.33)
Cash used in operations	0.14	(50.41)
Less: Taxes on Income Paid	-	-
Net Cash generated from / (used in) Operating Activities	0.14	(50.41)
Cash Flow From Investing Activities		
Purchase of Investments (including advances)	-	-
Interest received	-	-
Proceeds from Sale of Investments	-	-
Net Cash used in Investing Activities	-	-
Cash Flow From Financing Activities		
Redemption of preference shares	-	(200.00)
Proceeds from issue of shares	-	250.00
Net Cash generated from Financing Activities	-	50.00
Net increase / (decrease) in cash and cash equivalents	0.14	(0.41)
Cash and cash equivalents at the beginning of the year	0.54	0.95
Cash and cash equivalents at the end of the year	0.68	0.54

Note: The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on Cash Flow Statement.

As per our report of even date

For M.C.Jain & CO
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors
For Arco Leasing Ltd

CA Vatsal Gohil
Partner
Membership No.: 146059
Place: Mumbai
Date: 12-May-2025

Rajendra Ruia
Whole Time Director
DIN:01300823
Place: Mumbai
Date: 12-May-2025

Narendra Ruia
Director & CFO
DIN:01228312

Reshma Deshmukh
Company Secretary
M.no. A68764

ARCO LEASING LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

1 CORPORATE INFORMATION

Arco Leasing Limited ("the Company") is a listed public limited company incorporated on February 1, 1984.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company prepared its financial statements based on assumptions and estimates on parameters available at that time. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charges is calculated on the basis of the tax laws enacted at the end of the reporting period in India. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.4 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, that can reliably be estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are not recognised but disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

2.5 Financial instruments

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

(i) Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories into which the Company classifies its debt instruments;

ARCO LEASING LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payment of principal and interest (SPPI), are measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gain and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit and loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Debt instruments included within the FVPL category are measured at fair value with all changes recognized in the statement in profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVPL. For all other equity instruments, the Company may classify the same either as at FVTOCI or FVPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments which are classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognise impairment loss allowance based on lifetime Expected Credit Losses" (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit or loss. This amount is reflected in a separate line in the profit or loss as an impairment gain or loss.

(ii) Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and trade and payables, net of directly attributable transaction costs. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. For liabilities designated as FVPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortised such as loans and borrowings, trade and other payable are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

ARCO LEASING LIMITED

Notes forming part of the financial statements for the year ended March 31, 2025

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.6 Property, Plant and Equipment

Tangible assets are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost include acquisition cost which is directly attributable to bring the assets to its working condition.

The company has not charged any depreciation for the current year the balance in the fixed asset represent the scrap value of the asset at the time of sale as per the provisions contained in companies act, 2013.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with banks with original maturity of less than three months and short-term highly liquid investments, that are readily convertible into cash and which are subject to insignificant risk of changes in the principal amount. Bank overdrafts, which are repayable on demand and form an integral part of the operations are included in cash and cash equivalents.

2.8 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

2.9 Earnings per share

Basic earnings per share are computed by dividing the profit / (loss) by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the profit / (loss) for the year after deducting preference dividends and attributable taxes attributable to equity shareholders. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit / (loss) for the year are adjusted for the effects of changes in income, expenses, tax and dividends that would have occurred had the dilutive potential equity shares been converted into equity shares. Such adjustments after taking account of tax include preference dividends or other items related to convertible preference shares, interest on convertible debt and any other changes in income or expense that would result from the conversion of dilutive potential ordinary shares. The weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

ARCO LEASING LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

2 **Investments Non-Current**

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Long term unquoted non-trade fully paid up Investments in Subsidiary 1,859,630 (P.Y. 1,859,630) Investment in Ansu Trade & Fiscals Pvt Ltd of ₹ 10 each	217.19	217.19
Total	217.19	217.19

3 **Other Non Current Assets**

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Unsecured, Considered Good Advance Income Tax (Net)	-	-
Total	-	-

4 **Investments - Current**

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Current Investments Investments in Mutual Funds 12,788.892 units (P.Y. 12,788.892) UTI Dynamic Bond Fund - Regular Growth Plan	20.15	18.73
Total	20.15	18.73

5 **Trade Receivables**

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Unsecured, considered good	-	-
Total	-	-

6 **a) Cash and Cash Equivalents**

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Cash in hand	0.05	0.05
Balance with Bank in Current Accounts	0.63	0.49
Total	0.68	0.54

b) Bank Balances Other Than Above

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Fixed Deposit with Bank with maturity period exceeding three months but not exceeding twelve months	-	-
Total	-	-

7 **Other Financial Assets**

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Other Receivables	1.85	1.85
Prepaid Expenses	-	-
Total	1.85	1.85

ARCO LEASING LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

8 Equity Share Capital

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Authorized Capital*		
3,000,000 (P.Y. 3,000,000) Equity Shares of ₹ 10 each	300.00	300.00
	300.00	300.00
Issued, Subscribed & Fully Paid up Capital		
240,070 (P.Y. 240,070) Equity Shares of ₹ 10 each	24.01	24.01
Total	24.01	24.01

* Total authorised capital including Cumulative Redeemable Preference Shares - ₹ 600 Lakhs (P.Y. ₹ 600 Lakhs).

Notes:

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	March 31, 2025		March 31, 2024	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares				
Balance at the beginning of the year	2,40,070	24.01	2,40,070	24.01
Issued during the year	-	-	-	-
Balance at the end of the year	2,40,070	24.01	2,40,070	24.01

b. Details of shareholders holding more than 5% shares in the company :

	March 31, 2025		March 31, 2024	
	Numbers	%	Numbers	%
Shri Narendra Ruia	40,195	16.74%	40195	16.74%
Smt. Sarita Ruia	39,410	16.42%	39410	16.42%
Shri Rajendra Ruia	16,085	6.70%	16085	6.70%

c. Rights, preferences and restrictions attached to shares: The company has one class of equity shares of face value of ₹ 10 each. Every shareholder is entitled to one vote for every shares held. In the event of liquidation the equity shareholders shall be entitled to receive remaining assets of the company after distribution of all dues in proportion of their holdings.

d. In preceding five years the company has not allotted any shares without payment being received in cash and it has not issued bonus shares or bought back any shares.

9 Other Equity

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Retained Earnings		
Balance at the beginning of the year	(55.91)	(43.58)
Add: Profit/(loss) for the year	(11.24)	(12.33)
Total	(67.14)	(55.91)

10 Trade Payables

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21.07	8.57
Total	21.07	8.57

11 Other Financial Liabilities

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in Lakhs	₹ in Lakhs
250,000 0.01% Cumulative Redeemable Preference	250.00	250.00
Total	250.00	250.00

Notes:

a) Authorized Capital:

Particulars	March 31, 2025	March 31, 2024
300,000 (P.Y. 300,000) Cumulative Redeemable Preference Shares of ₹ 100 each	300	300.00

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	March 31, 2025		March 31, 2024	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Preference shares				
Balance at the beginning of the year	2,50,000	250.00	2,00,000.00	200.00
Issued during the year	-	-	2,50,000	250.00
Less: Redeemed during the year	-	-	(2,00,000)	(200.00)
Balance at the end of the year	2,50,000	250.00	2,50,000	250.00

c) Details of shareholders holding more than 5% shares in the company

	March 31, 2025		March 31, 2024	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Preference shares				
Essar Steel Metal Trading Ltd (earlier Edwell Infrastructure Hazira Ltd now amalgamated)	2,50,000	250.00	2,50,000	250.00

d) The preference shares are redeemable at par on demand at the option of the holder and accordingly, disclosed under other financial liabilities.

ARCO LEASING LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

12 Other Current Liabilities

	As at March 31, 2025	As at March 31, 2024
	₹ in Lakhs	₹ in Lakhs
Statutory Liabilities	0.27	(0.02)
Advance from others	11.15	11.15
Provisions	-	-
Total	11.42	11.12

13 Current Tax Liabilities (Net)

	As at March 31, 2025	As at March 31, 2024
	₹ in Lakhs	₹ in Lakhs
Current Income Tax Liability (Net)	0.52	0.52
Total	0.52	0.52

ARCO LEASING LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

14 Other Income

	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Interest on deposits with bank	-	-
Profit on Sale of Investments	-	-
Fair value Changes in Investments	1.41	1.28
Total	1.41	1.28

15 Other Expenses

	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Audit fees	-	1.18
Advertisement Expenses	0.49	0.82
Legal & Professional Fees	12.14	10.35
Miscellaneous Expenses	-	-
Professional Tax	0.03	0.03
Filing Fees, Rates & Taxes	-	0.29
Website Exp	-	-
Total	12.65	12.67

16 Earnings Per Share

There are no potential equity shares and hence the basic and diluted earnings per share are same. The calculation of the basic and diluted earnings per share is based on following data.

	March 31, 2025	March 31, 2024
Earnings [Profit/(Loss) after tax]	(11.24)	(12.33)
Weighted average number of equity shares for the purpose of calculating earnings per share	2,40,070	2,40,070
Basic & Diluted Earnings per share of face value of ₹ 10 each (₹)	(4.68)	(5.13)

17 The company does not have any commitment and contingent liabilities.

18 The company has single business segment of Investments.

ARCO LEASING LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

19 Financial instruments :

1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements. The Company's board of directors reviews the capital structure on an annual basis. The financial tie up for the company are long term in nature as it is in infrastructure business. Therefore all new capital requirements are duly discussed by the board of directors. The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings less cash and cash equivalents and other bank balances.

2 Categories of financial instruments

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying amount	Fair values	Carrying amount	Fair values
	(₹ in lakhs)			
Financial assets				
Measured at amortised cost				
Investments in subsidiary non-current	217.19	217.19	217.19	217.19
Trade Receivables	0	0	-	-
Cash and Cash Equivalents	0.68	0.68	0.54	0.54
Bank Balances Other Than (iii) Above	0	0	-	-
Other Financial Assets	1.85	1.85	1.85	1.85
Total financial assets carried at amortised cost	219.72	219.72	219.58	219.58
Fair Value through profit and loss account				
Investment in Mutual Funds	20.15	20.15	18.73	18.73
	20.15	20.15	18.73	18.73
Financial liabilities				
Measured at amortised cost				
Trade Payables	21.07	21.07	8.57	8.57
Other Financial Liabilities	250.00	250.00	250.00	250.00
Financial liabilities measured at amortised cost	271.07	271.07	258.57	258.57

Fair value hierarchy

Level 1 inputs are quoted prices (unadjusted) in active markets

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis.

Particulars	As at March 31, 2025		As at March 31, 2024	
	Fair value measurement using			
	Quoted prices in active markets (Level 1)		Quoted prices in active markets (Level 1)	
	(₹ in lakhs)			
FVTPL financial assets designated at fair value				
Investment in Mutual Funds (quoted)		20.15		18.73

3 Financial risk management objectives

The Company's Corporate finance department monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivable and, where appropriate, credit guarantee insurance cover is purchased. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables.

Cash and bank balances

The credit risk on liquid funds and other bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

ARCO LEASING LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

5 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods and its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	As at March 31, 2025				As at March 31, 2024			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial assets								
Investments	235.92	-	-	235.92	232.81	-	-	232.81
Trade Receivables	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	0.54	-	-	0.54	0.55	-	-	0.55
Bank Balances Other Than (iii) Above	-	-	-	-	-	-	-	-
Other Financial Assets	1.85	-	-	1.85	0.94	-	-	0.94
Total financial assets	238.31	-	-	238.31	234.30	-	-	234.30
Financial liabilities								
Trade Payables	8.57	-	-	8.57	8.61	-	-	8.61
Other Financial Liabilities	250.00	-	-	250.00	200.00	-	-	200.00
Total financial liabilities	258.57	-	-	258.57	208.61	-	-	208.61

20 Previous year figures have been rearranged / regrouped wherever necessary.

ARCO LEASING LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

21 Related Party disclosure:

1 Related Party Transactions

As per Accounting Standard 18 (AS-18) 'Related Party Transaction', issued by ICAI, the disclosure of transactions with the related parties as defined in

A). List of Related parties and relationships:

a) **Subsidiary Company:**

1 Ansu Trade & Fiscals Private Limited

b) **Key management Personnel**

- 1 Narendra Mahavir Ruia
- 2 Rajendra Mahavirprasad Ruia
- 3 Aarushi Jain
- 4 Srikar Gopalrao
- 5 Reshma Vishal Deshmukh

B) Transactions during the Year with Related Parties:

(Rs. In Lacs)

Particulars	Subsidiary Company		Key Management Personnel		Total	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Expenses Incurred on behalf of Subsidiary	-	47,200	-	-	-	47,200

22 Trade receivables Ageing Schedule

As at 31 March 2025

(Rs. In Lacs)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good							-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-	-
Allowance for expected credit loss							-
Total (A)-(B)	-	-	-	-	-	-	-

23

Ratio	Numerator	Denominator	31 March 2025	31 March 2024	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	8.01%	7.82%	-3%	No significant change
Debt- Equity Ratio	Total Debt	Shareholder's Equity	-	-	0%	-
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	0%	-
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	-47%	-51%	9%	No income in C.Y and P.Y
Inventory Turnover ratio	Cost of goods sold	Average Inventory	-	-	-	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	NA	NA	-	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	NA	NA	-	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	-	-	-	-
Net Profit ratio	Net Profit	Net sales = Total sales - sales	-	-	-	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	-5%	-6%	4%	No significant change
Return on Investment	Interest (Finance Income)	Investment	NA	NA	-	-

24 Compliance with approved Scheme(s) of Arrangements

The company did not have any such arrangements in the current year.

25 Disclosure of Transactions with Struck off companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

26 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- (a) Crypto Currency or Virtual Currency
- (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- (c) Registration of charges or satisfaction with Registrar of Companies
- (d) Relating to borrowed funds:
 - i. Willful defaulter
 - ii. Utilisation of borrowed funds & share premium
 - iii. Borrowings obtained on the basis of security of current assets
 - iv. Discrepancy in utilization of borrowings
 - v. Current maturity of long term borrowings

As per our report of even date

For M.C.Jain & CO
Chartered Accountants
Firm Registration No. : 304012E

CA Vatsal Gohil
Partner
Membership No.: 146059
Place: Mumbai
Date: 12-May-2025

For and on behalf of the Board of Directors

Rajendra Ruia
Whole Time Director
DIN:01300823
Place: Mumbai
Date: 12-May-2025

Narendra Ruia **Reshma Deshmukh**
Director & CFO **Company Secretary**
DIN:01228312 **M.no. A68764**

ARCO LEASING LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

	Note No.	As at	
		March 31, 2025	March 31, 2024
		₹ in lakhs	₹ in lakhs
ASSETS			
Non Current Assets			
Property, Plant and Equipment	2	2.73	2.73
Other Non Current Assets	3	1.73	1.73
		4.46	4.46
Current Assets			
Financial Assets			
Investments	4	20.15	18.73
Cash and Cash Equivalents	5	2.83	62.69
Loans	6	236.00	176.00
Other Financial Assets	7	32.66	15.25
		291.64	272.67
TOTAL ASSETS		296.10	277.13
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	24.01	24.01
Other Equity	9	(81.64)	(83.06)
		(57.63)	(59.04)
Liabilities			
Current Liabilities			
Financial liabilities			
<u>Trade Payables</u>	10	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		21.27	8.77
Other Financial Liabilities	11	311.00	311.00
Other Current Liabilities	12	15.83	15.53
Current Tax Liabilities (Net)	13	4.78	0.52
Provisions	14	0.86	0.35
		353.73	336.17
TOTAL EQUITY AND LIABILITIES		296.10	277.13

Significant Accounting Policies
(Notes forms integral part of Accounts)

1

As per our report of even date

For M.C.JAIN & CO.
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors
For Arco Leasing Ltd

Vatsal Gohil
Partner
Membership No.: 146059
Place: Mumbai
Date: 12-May-2025

Rajendra Ruia
Whole Time Director
DIN:01300823
Place: Mumbai
Date: 12-May-2025

Narendra Ruia
Director & CFO
DIN:01228312

Reshma Deshmukh
Company Secretary
M.no. A68764

ARCO LEASING LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
		₹ in lakhs	₹ in lakhs
Revenue			
Revenue from Operations		17.41	14.85
Other Income	15	1.41	1.28
Total Income		18.82	16.13
Expenses			
Employee Cost		-	0.93
Other Expenses	16	13.15	54.22
Total Expenses		13.15	55.15
Profit/(Loss) from ordinary activities before tax		5.67	(39.03)
Tax expense			
Current Tax		4.26	-
Profit/(Loss) after tax		1.41	(39.03)
Other Comprehensive Income		-	-
Total Comprehensive Income (comprising loss and other comprehensive income)		1.41	(39.03)
Basic & Diluted Earnings per Share of ₹ 10 each	17	0.59	(16.25)

Significant Accounting Policies
(Notes forms integral part of Accounts)

1

As per our report of even date

For M.C.JAIN & CO.
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors
For Arco Leasing Ltd

Vatsal Gohil
Partner
Membership No.: 146059
Place: Mumbai
Date: 12-May-2025

Rajendra Ruia
Whole Time Director
DIN:01300823
Place: Mumbai
Date: 12-May-2025

Narendra Ruia
Director & CFO
DIN:01228312

Reshma Deshmukh
Company Secretary
M.no. A68764

ARCO LEASING LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

	Year ended March 31, 2025	Year ended March 31, 2024
	₹ in lakhs	₹ in lakhs
Cash Flow From Operating Activities		
Profit before taxation	5.67	(39.03)
Adjustment for:		
Net Loss / (Gain) on sale of Investment	-	-
Fair Value changes in Non Current Investments	(1.41)	(1.28)
Interest income	(17.41)	(14.85)
Balance Written off	-	-
Operating Cash Flow before working capital changes	(13.15)	(55.16)
Adjustment for:		
(Increase)/Decrease in Receivables	-	-
(Increase)/Decrease in Current Assets and Financial assets	(77.41)	(13.38)
Increase / (Decrease) in Payables and Financial liabilities	17.56	27.17
Cash generated from operations	(72.99)	(41.36)
Less: Taxes on Income (Paid)/Refund (Net)	(4.26)	(1.49)
Net Cash generated from / (used in) Operating Activities	(77.25)	(42.85)
Cash Flow From Investing Activities		
Purchase of Investments (including advances)	-	-
Interest Income	17.41	14.85
Loans given during the year	-	-
Proceeds from Sale of Investments	-	-
Net Cash used from Investing Activities	17.41	14.85
Cash Flow From Financing Activities		
Redemption of preference shares	-	(200.00)
Proceeds from issue of shares	-	250.00
Net Cash generated from Financing Activities	-	50.00
Net increase / (decrease) in cash and cash equivalents	(59.84)	22.00
Cash and cash equivalents at the beginning of the year	62.68	40.68
Cash and cash equivalents at the beginning on consolidation	NA	NA
Cash and cash equivalents at the end of the year	2.84	62.68

Note: The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on Cash Flow Statement.

As per our report of even date

For M.C.JAIN & CO.
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors
For Arco Leasing Ltd

Vatsal Gohil
Partner
Membership No.: 146059
 Place: Mumbai
 Date: 12-May-2025

Rajendra Ruia
 Whole Time Director
 DIN:01300823
 Place: Mumbai
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Narendra Ruia
 Director & CFO
 DIN:01228312

Reshma Deshmukh
 Company Secretary
 M.no. A68764

ARCO LEASING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

A. EQUITY SHARE CAPITAL

	(₹ in lakhs)
Balance at the beginning of the year	24.01
Changes in share capital during the year	-
Balance as at March 31, 2025	24.01

B. OTHER EQUITY

	(₹ in lakhs)
As at March 31, 2024	(44.03)
Profit/(loss) for the year	(39.03)
Other Comprehensive Income	-
As at March 31, 2025	(83.06)
Profit/(loss) for the year	1.41
Other Comprehensive Income	-
Total	(81.64)

As per our report of even date

For M.C.JAIN & CO.
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors
For Arco Leasing Ltd

Vatsal Gohil
Partner
Membership No.: 146059
Place: Mumbai
Date: 12-May-2025

Rajendra Ruia
Whole Time Director
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Director & CFO
DIN:01228312

Reshma Deshmuk
Company Secretary
M.no. A68764

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025

1 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act. A summary of the important accounting policies which have been applied consistently is set out below:

(i). Basis of Accounting / Consolidation:

- a) The financial statements of the Company are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, and applicable Accounting Standards on consistent basis.
- b) The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries on line by line basis by adding together like items of assets, liabilities, Income and expenses by using uniform accounting policies. The difference between the cost of investment and the Company's portion of equity in subsidiaries, at the date of Investment, is treated as goodwill or capital reserve as a case may be. The interest of minority shareholders is stated at the minority's proportion of the assets and liabilities recognised.
- c) All significant transactions and balances between the company and subsidiaries are eliminated on consolidation.

2.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company prepared its financial statements based on assumptions and estimates on parameters available at that time. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charges is calculated on the basis of the tax laws enacted at the end of the reporting period in India. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.4 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, and it is probable that an outflow of resources, that can reliably be estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingent liabilities are not recognised but disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured reliably. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025

2.5 Financial instruments

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

(i) Financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories into which the Company classifies its debt instruments;

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest (SPPI) are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payment of principal and interest (SPPI), are measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gain and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit and loss (FVPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Debt instruments included within the FVPL category are measured at fair value with all changes recognized in the statement in profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVPL. For all other equity instruments, the Company may classify the same either as at FVTOCI or FVPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments which are classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognise impairment loss allowance based on lifetime Expected Credit Losses" (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit or loss. This amount is reflected in a separate line in the profit or loss as an impairment gain or loss.

(ii) Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and trade and payables, net of directly attributable transaction costs. The measurement of financial liabilities depends on their classification, as described below:

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. For liabilities designated as FVPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities at amortized cost

Financial liabilities classified and measured at amortised such as loans and borrowings, trade and other payable are initially recognized at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

The company has not charged any depreciation for the current year the balance in the fixed asset represent the scrap value of the asset at the time of sale as per the provisions contained in companies act, 2013.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with banks with original maturity of less than three months and short-term highly liquid investments, that are readily convertible into cash and which are subject to insignificant risk of changes in the principal amount. Bank overdrafts, which are repayable on demand and form an integral part of the operations are included in cash and cash equivalents.

2.9 Earnings per share

Basic earnings per share are computed by dividing the profit / (loss) by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share are the profit / (loss) for the year after deducting preference dividends and attributable taxes attributable to equity shareholders. The weighted average number of equity shares outstanding during the year and for all years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit / (loss) for the year are adjusted for the effects of changes in income, expenses, tax and dividends that would have occurred had the dilutive potential equity shares been converted into equity shares. Such adjustments after taking account of tax include preference dividends or other items related to convertible preference shares, interest on convertible debt and any other changes in income or expense that would result from the conversion of dilutive potential ordinary shares. The weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025

2 Property, Plant and Equipment

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Goodwill on Consolidation	2.73	2.73
	2.73	2.73

3 Non Current tax assets (Net)

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Income Tax	1.70	1.70
Mat Credit Entitlement	0.03	0.03
TOTAL	1.73	1.73

4 Investments - Current

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Current Investments		
Investments in Mutual Funds		
12,788.892 units UTI Dynamic Bond Fund - Regular Growth Plan	20.15	18.73
Total	20.15	18.73

5 Cash and Cash Equivalents

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Cash in hand	0.09	0.09
Balance with Bank in Current Accounts	2.74	62.60
Total	2.83	62.69

6 Loans

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Loan to Others	236.00	176.00
Total	236.00	176.00

7 Other Financial Assets

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Interest Receivable	32.66	15.25
Prepaid Expenses	-	-
Total	32.66	15.25

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025

8 Equity Share Capital

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Authorized Capital* 3,000,000 Equity Shares of ₹ 10 each	300.00	300.00
	300.00	300.00
Issued, Subscribed & Fully Paid up Capital 240,070 Equity Shares of ₹ 10 each	24.01	24.01
Total	24.01	24.01

* Total authorised capital including Cumulative Redeemable Preference Shares - ₹ 600 Lakhs

Notes:

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	March 31, 2025		March 31, 2024	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares				
Balance at the beginning of the year	2,40,070	24.01	2,40,070	24.01
Issued during the year	-		-	-
Balance at the end of the year	2,40,070	24.01	2,40,070	24.01

b. Details of shareholders holding more than 5% shares in the company :

	March 31, 2025		March 31, 2024	
	Numbers	%	Numbers	%
Shri Narendra Ruia	40,195	16.74%	40195	16.74%
Smt. Sarita Ruia	39,410	16.42%	39410	16.42%
Shri Rajendra Ruia	16,085	6.70%	16085	6.70%

c. Rights, preferences and restrictions attached to shares: The company has one class of equity shares of face value of ₹ 10 each. Every shareholder is entitled to one vote for every shares held. In the event of liquidation the equity shareholders shall be entitled to receive remaining assets of the company after distribution of all dues in proportion of their holdings.

d. In preceding five years the company has not allotted any shares without payment being received in cash and it has not issued bonus shares or bought back any shares.

9 Other Equity

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Retained Earnings		
Balance at the beginning of the year	(83.06)	(44.03)
Add: Profit/(loss) for the year	1.41	(39.03)
Balance at the end of the year	(81.64)	(83.06)
Total	(81.64)	(83.06)

10 Trade Payables

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21.27	8.77
Total	21.27	8.77

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025

11 Other Financial Liabilities

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in Lakhs	₹ in Lakhs
250,000 0.01% Cumulative Redeemable Preference Shares of ₹ 100 each	250.00	250.00
Loan taken from others	61.00	61.00
Total	311.00	311.00

Notes:

a) Authorized Capital:

Particulars
300,000 (P.Y. Nil) Cumulative Redeemable Preference Shares of ₹ 100 each

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	March 31, 2025		March 31, 2024	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
<u>Preference shares</u>				
Balance at the beginning of the year	2,00,000	200.00	2,00,000	200.00
Issued during the year	-	-	2,50,000	250.00
Less: Redeemed during the year	-	-	(2,00,000)	(200.00)
Balance at the end of the year	2,00,000	200.00	2,00,000	200.00

c) Details of shareholders holding more than 5% shares in the company

<u>Preference shares</u>	March 31, 2025		March 31, 2024	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Essar Steel Metal Trading Ltd (earlier Edwell Infrastructure Hazira Ltd now amalgamated)	2,50,000	250.00	2,50,000	250.00

d) The preference shares are redeemable at par on demand at the option of the holder and accordingly, disclosed under other financial liabilities.

12 Other Current Liabilities

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in Lakhs	₹ in Lakhs
Statutory Liabilities	4.00	3.70
Advance from others	11.83	11.83
Total	15.83	15.53

13 Current Tax Liabilities (Net)

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in Lakhs	₹ in Lakhs
Current Income Tax Liability (Net)	4.78	0.52
Total	4.78	0.52

14 Provisions

	As at	As at
	March 31, 2025	March 31, 2024
	₹ in Lakhs	₹ in Lakhs
Other Provisions	0.78	0.28
Contingent Provision Against Standard Assets	0.08	0.08
Total	0.86	0.35

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025

15 Other Income

	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Interest on deposits with bank	-	-
Interest	-	-
Profit on Sale of Investments	-	-
Fair value Changes in Investments	1.41	1.28
Total	1.41	1.28

16 Other Expenses

	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
	₹ in lakhs	₹ in lakhs
Audit fees	0.50	1.43
Advertisement Expenses	0.49	0.82
Legal & Professional Fees	12.14	51.65
Miscellaneous Expenses	-	-
Professional Tax	0.03	0.03
Filing Fees, Rates & Taxes	-	0.29
Website Exp	-	-
Total	13.15	54.22

17 Earnings Per Share

There are no potential equity shares and hence the basic and diluted earnings per share are same. The calculation of the basic and diluted earnings per share is based on following data.

	March 31, 2025	March 31, 2024
Earnings [Profit/(Loss) after tax]	1.41	(39.03)
Weighted average number of equity shares for the purpose of calculating earnings per share	24.01	24.01
Basic & Diluted Earnings per share of face value of ₹ 10 each (₹)	0.59	(16.25)

18 The company does not have any commitment and contingent liabilities.

19 As per Accounting Standard 18 (AS-18) 'Related Party Transaction', issued by ICAI, the disclosure of transactions with the related parties as defined in AS-18 is given below.

A). List of Related parties and relationships:

a) Subsidiary Company:

- 1 Ansu Trade & Fiscals Private Limited

b) Key management Personnel

- 1 Narendra Mahavir Ruia
- 2 Rajendra Mahavirprasad Ruia
- 3 Aarushi Jain
- 4 Srikar Gopalrao
- 5 Reshma Vishal Deshmukh

There are no transaction with related parties on a consolidated basis

20 The company has single business segment of Investments.

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025

21 Financial instruments :

1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements. The Company's board of directors reviews the capital structure on an annual basis. The financial tie up for the company are long term in nature as it is in infrastructure business. Therefore all new capital requirements are duly discussed by the board of directors. The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings less cash and cash equivalents and other bank balances.

2 Categories of financial instruments

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carring amount	Fair amount	Carring amount	Fair amount
	₹ in lakhs		₹ in lakhs	
Financial assets				
Measured at amortised cost				
Cash and Cash Equivalents	2.83	2.83	62.69	62.69
Other Financial Assets	32.66	32.66	15.25	15.25
Total financial assets carried at amortised cost	35.49	35.49	77.94	77.94
Fair Value through profit and loss account				
Investment in Mutual Funds	20.15	20.15	18.73	18.73
	20.15	20.15	18.73	18.73
Financial liabilities				
Measured at amortised cost				
Trade Payables	21.27	21.27	8.77	8.77
Other Financial Liabilities	311.00	311.00	311.00	311.00
Financial liabilities measured at amortised cost	332.27	332.27	319.77	319.77

Fair value hierarchy

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis.

Particulars	As at March 31, 2025	As at March 31, 2024
	Fair Value measurement using	Fair Value measurement using
	Quoted prices in active markets	Quoted prices in active markets
	₹ in lakhs	
FVTPL financial assets designated at fair value		
Investment in Mutual Funds (quoted)	20.15	18.73

3 Financial risk management objectives

The Company's Corporate finance department monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivable and, where appropriate, credit guarantee insurance cover is purchased. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables.

ARCO LEASING LIMITED**Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2025****Cash and bank balances**

The credit risk on liquid funds and other bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

5 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods and its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in lakhs)

Particulars	As at March 31, 2025				As at March 31, 2024			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial assets								
Investments	20.15	-	-	20.15	18.73	-	-	18.73
Cash and Cash Equivalents	2.83	-	-	2.83	62.69	-	-	62.69
Other Financial Assets	32.66	-	-	32.66	15.25	-	-	15.25
Total financial assets	55.64	-	-	55.64	96.67	-	-	96.67
Financial liabilities								
Trade Payables	21.27	-	-	21.27	8.77	-	-	8.77
Other Financial Liabilities	311.00	-	-	311.00	311.00	-	-	311.00
Total financial liabilities	332.27	-	-	332.27	319.77	-	-	319.77

ARCO LEASING LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

22 These consolidated financial statements include financials of 100% subsidiary companies viz. Ansu Trade & Fiscals Pvt Ltd whose financial year ended on March 31, 2025

23 Additional information as required under Schedule III to The Companies Act, 2013:

Name of the entity	Net Assets		Share in Profit / (Loss)		Net Assets		Share in Profit / (Loss)	
	March 31, 2024		March 31, 2024		March 31, 2025		March 31, 2025	
	as % of Consolidated Net Assets	Amount (₹)	as % of Consolidated Profit / (Loss)	Amount (₹)	as % of Consolidated Net Assets	Amount (₹)	as % of Consolidated Profit / (Loss)	Amount (₹)
Parent								
Arco Leasing Ltd.	110.14%	(22.05)	31.59%	(12.33)	124.88%	(73.73)	-795.28%	(11.24)
Subsidiaries - Indian								
Ansu Trade & Fiscals Pvt Ltd..	-10.14%	2.03	68.41%	(26.70)	-24.88%	14.69	895.28%	12.65

As per our report of even date

For M.C.JAIN & CO.
Chartered Accountants
Firm Registration No. : 304012E

For and on behalf of the Board of Directors

Vatsal Gohil
Partner
Membership No.: 146059
 Place: Mumbai
 Date: 12-May-2025

Rajendra Ruia
 Whole Time Director
 DIN:01300823
 Place: Mumbai
 Date: 12-May-2025

Narendra Ruia
 Director & CFO
 DIN:01228312

Reshma Deshmukh
 Company Secretary
 M.no. A68764