

ARCO LEASING LIMITED

36TH ANNUAL REPORT 2019-20

ARCO LEASING LIMITED

Annual Report 2019-20

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Narendra Mahavir Ruia (DIN 01228312) Mr. Rajendra Mahavirprasad Ruia (DIN 01300823) Mrs. Meenakshi Narendra Ruia (DIN 01331083) Mr. Kaushik Kantilal Shah (DIN 01396342), Independent Director Mr. Jayesh Madhav Joshi (DIN 08036558), Independent Director
AUDITOR	M/s. N K R & 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 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makhwana Road, Marol, Andheri (East), Mumbai – 400059 Tel: 022- 6263 8200 Fax: 022 – 6263 8299 Email: investor@bigshareonline.com Website: www.bigshareonline.com
CORPORATE IDENTITY NUMBER (CIN)	L65910MH1984PLC031957

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

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the members of **ARCO LEASING LIMITED** ("the Company") will be held on **Monday, September 28, 2020 at 11.00 a.m.** at the Registered Office of the Company at Plot No. 123, Street No. 17, MIDC Marol, Andheri (E), Mumbai - 400 093, Maharashtra, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the standalone and consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Report(s) of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Narendra Mahavir Ruia (DIN 01228312) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

3. Appointment of Statutory Auditor:

To appoint and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution(s)**:

- a) Appointment of Statutory Auditor to fill Casual Vacancy:

"RESOLVED THAT pursuant to the provisions of Section 139 (8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarification(s), exemption(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of Audit Committee and Board of Directors, M/s. M. C. Jain & Co., Chartered Accountants, (Firm Registration No: 304012E) be and are hereby appointed as the Statutory Auditors of the Company, to fill casual vacancy caused by the resignation of N K R & Co., Chartered Accountants, Mumbai (Firm Registration No: 127820W) to hold the office from September 2, 2020 until the conclusion of this Annual General Meeting of the Company, at such remuneration as may be mutually decided by the Board of Directors of the Company and the Statutory Auditors";

- b) For a period of five years:

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarification(s), exemption(s) or re-enactment(s) thereof for the time being in force) and upon recommendation of the Audit Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to appoint M/s. M. C. Jain & Co., Chartered Accountant (Firm Registration No: 304012E), as Statutory Auditors of the Company to hold the office for a term of 5 (Five) consecutive years, i.e. to hold office from the conclusion of the 36th Annual

General Meeting till the conclusion of the 41st Annual General Meeting of the Company, at such professional fees and re-imbursement of out of pocket expenses, if any, in each financial year, as recommended by the Audit Committee and mutually agreed to between the Board of Directors and the Statutory Auditors of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, things and matters, necessary, desirable or expedient to give effect to this resolution.”

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

Sd/-
RAJENDRA RUIA
DIRECTOR
DIN: 01300823

Sd/-
NARENDRA RUIA
DIRECTOR
DIN: 01228312

Place: Mumbai
Date: 02/09/2020

Regd. 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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. HOWEVER, A MEMBER HOLDING MORE THAN 10%, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.
3. The Register of Members of the Company and Transfer Books thereof will be closed from Tuesday, September 22 2020 to Monday, September 28, 2020 (both days inclusive).
4. E-voting facility to all members has been provided through the e-voting platform of Central Depository Services (India) Limited (CDSL) and the Company has

appointed CS Priyanka Oka, Practicing Company Secretary, as Scrutinizer for the e-voting process. Instructions and manner of the process have been detailed in the para 7 below. The Scrutinizer will make a report to the Chairman of the Company, of the votes cast in favour and against and the results on the resolutions alongwith the scrutinizer's report will be available on the website of the Company within two working days of the same being passed.

5. The shareholders whose names appear in the Register of Members after giving effect to all valid share transfers lodged with the Company on or before September 21, 2020 shall be entitled to participate in e-voting/ballot at the AGM. Members and all other concerned are requested to lodge transfer deeds, change of address communication, mandates (if any) with the Company's Share Transfer Agents viz. **Bigshare Services Pvt. Ltd.**, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makhwana Road, Marol, Andheri (East), Mumbai – 400059.
6. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to Investors wherever NECS and bank details are available.

In the absence of NECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend. SEBI has also mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to the DPs with whom they maintain their demat accounts.

Members holding shares in physical form should submit their PAN to the Company. The Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, amended Regulation 40 of the SEBI Listing Regulations pursuant to which from 1st April, 2019 onwards securities can be transferred only in dematerialized form.

However, it is clarified that, members can continue holding shares in physical form. Transfer of securities in demat form will facilitate convenience and ensure safety of transactions for investors. Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

7. The instructions for shareholders voting electronically are as under: (i) The voting period begins on Friday, September 25, 2020 at 9.00 a.m. IST and ends on Sunday, September 27, 2020 at 5.00 p.m. IST. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, September 21, 2020 may cast their vote electronically.

The e-voting module shall be disabled by CDSL for voting thereafter. Electronic Voting Sequence Number (EVSN) :- **200901087**

A member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a member casts his vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

In case of members receiving mails :-

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders / Members
Now Select the COMPANY NAME from the drop down menu and click on SUBMIT
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number which is mentioned in address label as Sr No affixed on Annual Report, in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none">• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for evoting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for evoting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <company name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be

uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. Members/Proxies are requested to bring their attendance slip duly filled in and their copy of the Annual Report for the meeting.

For any other queries relating to the shares of the Company, you may contact the Share Transfer Agents at the following address:

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makhwana Road,
Marol, Andheri (East), Mumbai – 400059

Tel: 022- 6263 8200

Fax: 022 – 6263 8299

Email: investor@bigshareonline.com

Website: www.bigshareonline.com

Regd. 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

Explanatory statement pursuant to provisions 102 of the Companies Act, 2013:

Item No. 3:

The members of the Company at their 34th Annual General Meeting held on 29th September, 2018 has approved the appointment of M/s. N K R & Co., Chartered Accountants, Mumbai, having FRN.: 127820W as the Statutory Auditors of the Company for a term of five years till the conclusion of 39th Annual General Meeting.

N K R & Co., Chartered Accountants, Mumbai has tendered their resignation as the Statutory Auditors of the Company, expressing their inability to continue as the auditors of the Company as the Board of Directors of the Company shows incapability to increase the audit fees, resulting in a casual vacancy in the office of the Auditors of the Company w.e.f. September 2, 2020, as per receipt of the letter from the Auditors, as per section 139(8) of the Companies, Act, 2013.

In accordance with the provisions of the Companies Act, 2013, the casual vacancy caused by the resignation of the Statutory Auditors shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board. Accordingly, based on the recommendation of the Audit Committee and confirmation received from M/s. M. C. Jain & Co., Chartered Accountants, Mumbai, having FRN.: 304012E, on their eligibility, the Board recommends to the members for the appointment of M/s. M. C. Jain & Co., Chartered Accountants, Mumbai as the Statutory Auditors of the Company:

a) to fill the casual vacancy caused by the resignation of N K R & Co., Chartered Accountants, Mumbai and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting: and

b) for a period of five years, from the conclusion of the 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the Company to be held in the year 2024. With regards to appointment of Statutory Auditors referred to in item no. 4 of the Notice, the brief profile of the Auditors is as under:

M/s. Jain and Co. is an old and reputed Chartered Accountant Firms established in 1960. It offers quality services in the field of auditing, accounting, taxation, corporate law and other financial services to innumerable clients in Delhi, Kolkata, Mumbai, Noida and Gurugram.

The team consists of distinguished Chartered Accountants, Corporate Financial Advisors and Tax Consultants in India.

The Firm has vast experience in conducting Audits of Companies, Firms, NGOs, Trading and Manufacturing Units, Insurance Companies, Stock Brokers, Societies, Charitable Trusts, Schools MNC's etc.

The firm is also handling various assignments like Branch Audit, Concurrent Audit, Stock Audit etc. for various Public Sector Banks. It has conducted Statutory Central Audit of Allahabad Bank.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Directors recommend the ordinary resolution for approval of the members.

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

Sd/-

RAJENDRA RUIA

DIRECTOR

DIN: 01300823

Sd/-

NARENDRA RUIA

DIRECTOR

DIN: 01228312

Place: Mumbai

Date: 02/09/2020

Regd. 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

Information required as per Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the appointment or re-appointment of Directors at the Annual General Meeting:

Particulars	Mr. Narendra Mahavir Ruia
DIN	01228312
Age	53 years
Brief Resume	Managing Director of Arco and Schori Group 1) Arco Electro Technologies Pvt. Ltd. 2) ARMEN Comtrade Pvt. Ltd. 3) Schori Blasting and Metal Spraying Pvt. Ltd.
Expertise in specific functional areas	B. A. (Econ); M. B. A.; SMEP by IIM
Relationship with any Director(s) of the Company	Rajendra Mahavirprasad Ruia - Brother Meenakshi Ruia - Wife
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board	Not Applicable
Number of Shares held in the Company	40195

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

Sd/-
RAJENDRA RUIA
DIRECTOR
DIN: 01300823

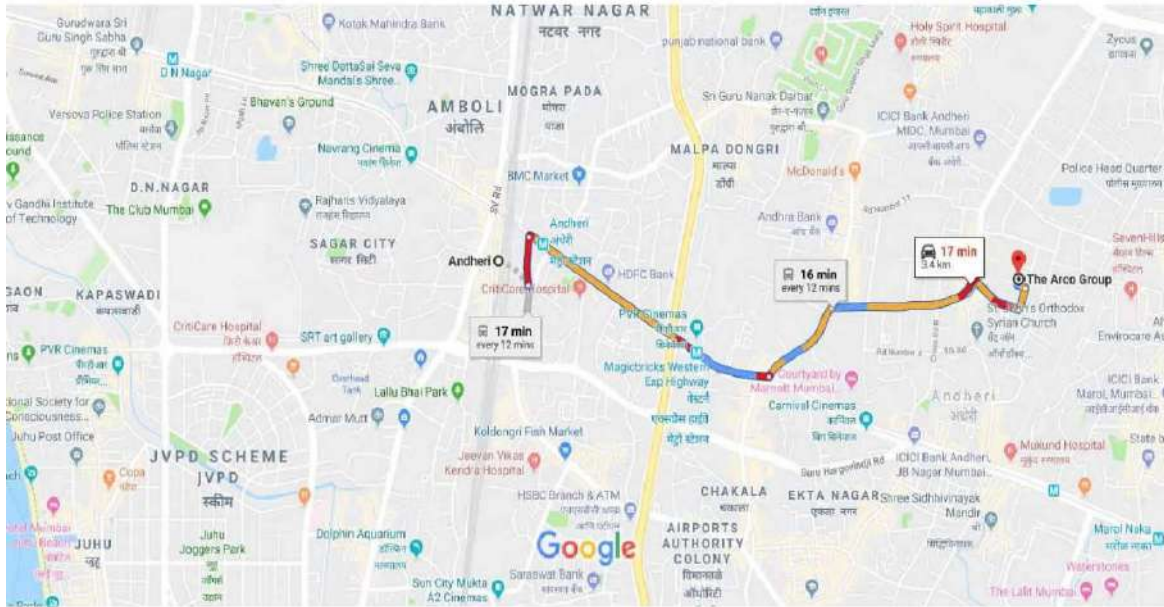
Sd/-
NARENDRA RUIA
DIRECTOR
DIN: 01228312

Place: Mumbai
Date: 02/09/2020

Regd. 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

ROUTE MAP

to the Venue of 36TH Annual General Meeting of ARCO LEASING LIMITED
Monday, September 28, 2020



Venue: Plot No. 123, Street No. 17, MIDC, Marol, Andheri (E), Mumbai – 400093
(Bus No.: 434 / 545Ltd /496 Ltd)

Note: Map given above is indicative and distance is approximate.

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**ATTENDANCE SLIP**

Regd. Folio/DP ID and Client ID	
Number of Shares held	
Name and Address of the Member	
Name and Address of the Proxy holder	

I hereby record my presence at the 36th Annual General Meeting of Arco Leasing Limited to be held on Monday, September 28, 2020 at 11.00 a.m. at Plot No. 123, Street No. 17, MIDC, Marol, Andheri (E), Mumbai - 400093, Maharashtra.

Signature of the Member/Proxy

--

Present:**Note:**

1. Member/Proxy holder who wish to attend the Meeting must bring the duly signed Attendance Slip to the Meeting and handover at the entrance of the Meeting Hall.
2. Please read the instructions printed under the Note No. 7 to the Notice of the 36th Annual General Meeting. The e-voting period starts from Friday, September 25, 2020 at 9.00 a.m. IST and ends on Sunday, September 27, 2020 at 5.00 p.m. IST. The voting module shall be disabled by CDSL for voting thereafter.

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

PROXY FORM

FORM MGT-11

36TH ANNUAL GENERAL MEETING – MONDAY, 28TH SEPTEMBER, 2020

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
Email ID	
Folio No/ DP ID and Client ID	

I/We, being the member(s) of Arco Leasing Limited holding shares, hereby appoint

Name	
Address	
Email id	
Signature	

or failing him/her

Name	
Address	
Email id	
Signature	

or failing him/her

Name	
Address	
Email id	
Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on the Monday, 28th September, 2020 at 11.00 a.m. at Plot No. 123, Street No 17, MIDC Marol, Andheri (E), Mumbai – 400093, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution
1.	To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020, together with the Report(s) of the Directors and Auditors thereon.
2.	To appoint a Director in place of Mr. Narendra Mahavir Ruia (DIN 01228312) who retires by rotation and being eligible offers himself for reappointment.
3.	Appointment of Statutory Auditors – a) to fill the casual vacancy b) For a period of five years

Signed this _____ day of _____, 2020.

**Affix
Revenue
Stamp**

**Signature of the
Shareholder**

Signature of Proxy Holder(s)

Note:

This form of proxy in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.

DIRECTORS' REPORT

To,
The Members,

Your Directors present their 36th Annual Report on the business and operations of the Company together with the Audited Standalone and Consolidate Financial Statements of Arco Leasing Limited ("the Company") for the financial year ended 31st March, 2020.

1. FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2020 is summarized below:

Particulars	Financial Results (Standalone)	
	For the year ended as at	
	31 st March, 2020	31 st March, 2019
Total Revenue	3.12	13.20
Total Expenses	11.89	9.38
Profit/(Loss) Before Tax	(8.77)	3.82
Tax Expense (Net)	(0.69)	3.58
Profit /(Loss) After Tax	(9.46)	0.24
Earnings Per Share (Rs.)	(3.94)	0.10

2. PERFORMANCE OF THE COMPANY

The total revenue for the financial year under review was Rs. 3.12 Lakhs as against Rs. 13.20 Lakhs in the previous financial year, registering a decrease of Rs. 10.08 Lakhs. It is mainly due to decline in income from other sources namely interest earned on deposits with Banks.

As compared to previous year's profits, it was observed that there was loss before tax of Rs.8.77 Lakhs.

The Loss After Tax for f.y. 2019-20 was Rs. 9.46 Lakhs as against the profits of Rs.0.24 Lakhs in the previous year.

3. DIVIDEND

To conserve the resources for future, your Directors do not recommend any dividend for the financial year under review.

4. TRANSFER TO RESERVES

The Directors do not propose to transfer any amount to the Reserves.

5. SHARE CAPITAL

The Authorized Share Capital of the Company was enhanced from Rs.25,00,000/- (Rupees Twenty Five Lakhs) to Rs. 6,00,00,000/- (Rupees Six Crores) divided into 30,00,000 (Thirty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each and 3,00,000 (Three 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.2,00,00,000/- (Rupees Two Crores only) as on March 31, 2020. However, the said Preference Shares were not listed on any Stock Exchange.

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, 2020.

6. LISTING FEES

Equity Shares of your Company are listed on BSE Limited. Your Company has paid the required listing fees to Stock Exchange for f.y. 2020-21.

7. DEPOSITS

The Company has not accepted any deposits in terms of Chapter V of the Companies Act, 2013 and Rules framed thereunder from public, during the year under review.

8. 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.

MAJOR EVENTS OCCURRED DURING THE YEAR

There are no such major events occurred during the financial year 2019-20.

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.

CHANGE IN NATURE OF BUSINESS

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

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointments

Mr. Narendra Mahavir Ruia (DIN 01228312) 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 his re-appointment.

Further, during the year under review, the non-executive director of the company had no transactions with the company.

Independent Directors

Mr. Kaushik Shah (DIN 01396342) and Mr. Jayesh Joshi (DIN 08036558) have submitted a declaration that each of them meet the criteria for independence as laid down under Section 149(6) of the Act read with Rules framed thereunder and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors (“IDD”) of the Company are in process of registering themselves with the India Institute of Corporate Affairs (IICA), Manesar and their names will get included in the databank of Independent Directors within the statutory timeline given by the Notification dated June 23, 2020 .

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

10. CONSTITUTION OF COMMITTEES

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. Narendra Ruia	Member	4	4
2	Mr. Kaushik Shah	Member	4	4
3	Mr. Jayesh Joshi	Chairman and Member	4	4

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

NOMINATION & REMUNARATION COMMITTEE

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. Rajendra Ruia	Member	2	2
2	Mr. Kaushik Shah	Member	2	2
3	Mr. Jayesh Joshi	Chairman and Member	2	2

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all Ind AS Standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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 had been followed along with proper explanation relating to material departures;
- (ii) the directors had 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 profit 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.

12. 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.

13. SUBSIDIARY/JOINT VENTURE/ CONSORTIUM

Ansu Trade & Fiscals Private Limited has become the wholly owned subsidiary of Arco Leasing Limited w.e.f. July 31, 2019.

14. DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

During the financial year 2019-20, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

15. ACCOUNTING STANDARDS

The Company has prepared the Financial Statements for the year ended 31st March, 2020 as per Section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014.

16. PERFORMANCE EVALUATION OF THE DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of the Directors individually. The manner in which the evaluation has been carried out is given below –

The key areas of evaluation of individual directors, including Independent Directors are Knowledge of business, Diligence and preparedness, Effective interaction with others, Constructive contribution to discussion, Concern for stakeholders, attentive to the internal controls mechanism and ethical conduct issues.

17. 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.

18. 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 finalized the sitting fees structure and shall update the members at large subject to regulatory approval and compliance(s) if any.

19. EXTRACT OF ANNUAL RETURN

The extract of annual return as on March 31, 2020 as provided under sub-section (3) of Section 92 of the Companies Act, 2013, in the prescribed Form MGT-9 is annexed to this Report.

20. NUMBER OF MEETINGS OF THE BOARD

There were 5 (Five) meetings of the Board held during the year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Date of Board Meeting	Number of Directors attended the meeting
April 16, 2019	5
August 14, 2019	5
August 30, 2019	5
November 14, 2019	5
February 12, 2019	5

21. AUDIT COMMITTEE RECOMMENDATIONS

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

22. CORPORATE GOVERNANCE

Corporate Governance stipulated in SEBI (LODR) Regulations, 2015 is not applicable to the Company as paid up Equity Share Capital of the Company is not exceeding rupees ten crore and net worth of the Company is not exceeding rupees twenty-five crore, as on the last date of the previous financial year.

23. AUDITORS

STATUTORY AUDITORS

In accordance with the provisions of Section 139 of Companies Act, 2013, M/s. N K R & Co., Chartered Accountants, Mumbai (ICA Registration No.127820W) were appointed as Statutory Auditors on September 29, 2018, for a period of 5 years commencing from conclusion of 34th Annual General Meeting till the Conclusion of 39th Annual General Meeting to be held in the year 2023.

However, N K R & Co., Chartered Accountants have tendered resignation, expressing their inability to continue as the auditors of the Company as the Board of Directors of the Company shows incapability to increase the audit fees, resulting in a casual vacancy in the office of the Auditors of the Company w.e.f. September 2, 2020, as per receipt of the letter from the auditors, as per section 139(8) of the Companies, Act, 2013. In accordance with aforesaid provisions of the Act, the casual vacancy caused by the resignation of the Statutory Auditors shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and confirmation received from M/s. M. C. Jain & Co., Chartered Accountants, Mumbai, having FRN.: 304012E on their eligibility, the Board recommends to the members for the appointment of M/s. M. C. Jain & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company:

- a) to fill the casual vacancy caused by the resignation of M/s. M. C. Jain & Co., Chartered Accountants, Mumbai and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting, and
- b) for a period of five years, from the conclusion of the 36th Annual General Meeting till the conclusion of 41st Annual General Meeting of the Company to be held in the year 2025.

M/s. M. C. Jain & Co., Chartered Accountants, Mumbai, has confirmed their eligibility to act as the Statutory Auditors of the Company.

N K R & Co., Chartered Accountants, Mumbai have completed the Statutory Audit for period 2019-20 and submitted their Auditors Report to the Shareholder, which does not contain any qualification, reservation, adverse remark or disclaimer.

The observations made in the Auditors Report read together with relevant notes thereon are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

INTERNAL AUDITOR

The Company has engaged a reputable external firm namely M/s. Sushil Vyas & Associates, Chartered Accountants, Mumbai (FRN 110725W) to carry out the Internal Audit of your Company. Reviews are conducted on an on-going basis, based on a comprehensive risk based audit plan, which is approved by the Audit Committee at the beginning of each year.

COST AUDITOR

The Company was not required to maintain cost records pursuant sub-section (1) of Section 148 of the Companies Act, 2013 and rules made thereunder. Therefore, the Company has not appointed auditor in this respect.

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 for the Financial Year ended 31st March, 2020 is annexed.

The secretarial audit report contained few observations, remarks pursuant to the provisions of section 203. The Company has noted the same and is in the process of complying with these statutory requirements.

24. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules made thereunder are not applicable to the Company since there are no employees and hence the Policy on prevention of Sexual Harassment of Women at workplace is not formulated.

25. RISK MANAGEMENT POLICY

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/ mitigate the risk through a properly defined framework.

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

26. 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. Hence, there was no requirement to constitute Corporate Social Responsibility Committee in the Company.

27. 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.

The members at their Extraordinary General Meeting held on May 15, 2018, had given approval under section 186 of the Companies Act, 2013 for purchase of equity shares of

Ansu Trade & Fiscals Private Limited, a non-banking financial company (NBFC), in one or more tranches. Accordingly, the Company has submitted an application with Reserve Bank of India (RBI) for getting an approval for purchase of an NBFC. The Company has received the approval from RBI vide letter DNBS.RO.Kol.No.3052/08.02.400/2018-19 dated February 8, 2019.

However, the said purchase transaction was completed in the month of July 2019 thereby the Company has acquired 18,59,630 equity shares of Rs. 10/- each of Ansu Trade & Fiscals Private Limited from the shareholders.

In view of the above, Ansu Trade & Fiscals Private Limited has become the wholly owned subsidiary of Arco Leasing Limited w.e.f. July 31, 2019.

28. RELATED PARTY TRANSACTIONS

There is no transaction with Related Party 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-33 to the Financial Statements.

29. 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.

All the Board Members have confirmed compliance with the Code. A declaration to this effect signed by the Director of the Company appears elsewhere in this Annual Report.

30. PARTICULARS OF EMPLOYEES

The Company does not have any employee. 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.

31. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behaviour in all its business activities. It has established a system through which Directors, employees and business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal.

The Policy on Vigil Mechanism/Whistle Blower Mechanism may be accessed through website of the Company viz. www.arcoleasing.com.

32. PERFORMANCE OF JOINT VENTURE/CONSORTIUM

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

33. STATUTORY DISCLOSURES

There are no associate companies as of March 31, 2020, hence the prescribed Form AOC-1 is not required to be attached to this Report. A Cash Flow Statement for the Financial Year 2019-20 is attached to the Balance Sheet.

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

In view of the nature of activities that are being carried on by your Company, the particulars required under Section 134 of the Companies Act, 2013 and Rules made thereunder regarding conservation of energy and technology absorption are not applicable to your Company.

The Company had no foreign exchange earnings or outgo during the year under review.

35. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

36. 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.

37. ACKNOWLEDGEMENT

Your Directors wish to thank all Shareholders, Clients, Government and Regulatory authorities and Stock Exchanges, financial authorities, customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the Company.

Your Directors also thank the Ministry of Corporate Affairs, stakeholders, advocates, solicitors and business associates for their continuous support.

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

**Sd/-
RAJENDRA RUIA
DIRECTOR
DIN: 01300823**

**Sd/-
NARENDRA RUIA
DIRECTOR
DIN: 01228312**

**Place: Mumbai
Date: September 2, 2020**

ANNEXED TO THIS REPORT

1	ANNEXURE A - SECRETARIAL AUDIT REPORT FORM NO. MR-3
2	ANNEXURE B - EXTRACTS OF ANNUAL RETURN FORM MGT-9
3	ANNEXURE C- MANAGEMENT DISCUSSION AND ANALYSIS REPORT
4	ANNEXURE D - COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE OF CONDUCT
5	ANNEXURE E - CEO/CFO CERTIFICATION
6	ANNEXURE F – CEO/CFO CERTIFICATE UNDER REGULATION 33 AND 26

PRIYANKA OKA & ASSOCIATES

Practising Company Secretaries

Annexure A

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

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we 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. Our 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.
7. Due to COVID-19 outbreak and Lockdown situation, this Report has been issued relying on the certificate, information, details, data, documents and explanation provided by the Company and its officers, agents and authorized representatives and Registrar and Transfer Agent in electronic form, without physically verifying at their office.

Sd/-

Signature:

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

Date: **02.09.2020**

Place: **Thane**

ACS/FCS No.: **10084**

CP No. **22164**

Address: 9, Dhanashree CHS, M. G. Road, Naupada, Thane (W) – 400 602, Maharashtra, India.

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

Form No. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

[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, 2020

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arco Leasing Limited** (hereinafter called "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 our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 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:

We 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, 2020 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;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

PRIYANKA OKA & ASSOCIATES

Practising Company Secretaries

- (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]**

We 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(s);

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company has not complied the provisions of section 203 of the Companies Act, 2013, with respect to appointment of Key Managerial Personnel (KMP) during the year under review.
2. Mr. Sachin Jorkar, Compliance Officer is not the Company Secretary registered with the Institute of Company Secretaries of India.

We 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.

Address: 9, Dhanashree CHS, M. G. Road, Naupada, Thane (W) – 400 602, Maharashtra, India.

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

PRIYANKA OKA & ASSOCIATES

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We 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.

We 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.

Sd/-

Signature:

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

Date: **02.09.2020**

Place: **Thane**

ACS/FCS No.: **10084**

CP No. **22164**

UDIN F010084B000647591

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L65910MH1984PLC031957
2	Registration Date	January 2, 1984
3	Name of the Company	Arco Leasing Limited
4	Category/Sub-category of the Company	Company limited by shares/ Indian Non - Government Company
5	Address of the Registered office & contact details	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
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makhwana Road, Marol, Andheri (East), Mumbai – 400059 Tel: 022- 6263 8200 Fax: 022 – 6263 8299 Email: investor@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Nil		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Ansu Trade & Fiscals Private Limited	U65100WB1990PTC049122	Subsidiary Company	100.00	2(87)

IV. SHARE HOLDING PATTERN	
(Equity share capital breakup as percentage of total equity)	

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	107600	0	107600	44.82	107600	0	107600	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00

d) Bodies Corp.	21000	0	21000	8.75	21000	0	21000	8.75	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (1)	128600	0	128600	53.57	128600	0	128600	53.57	0.00
(2) Foreign									
a) NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
TOTAL (A)	128600	0	128600	53.57	128600	0	128600	52.57	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	88820	88820	37.00	0	88820	88820	37.00	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	22650	22650	9.43	0	22650	22650	9.43	0.00
c) Others (specify)									
Non Resident Indians	0	0	0	0.00	0	0	0	0.00	0.00
Overseas Corporate Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	0	0	0	0.00	0	0	0	0.00	0.00
Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00

Sub-total (B)(2):-	0	111470	111470	46.43		111470	111470	46.43	0.00
Total Public (B)	0	111470	111470	46.43		111470	111470	46.43	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	
Grand Total (A+B+C)	128600	111470	240070	100.00	128600	111470	240070	100.00	0.00

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Narendra M. Ruia	40195	16.74%	0	40195	16.74%	0	0.00%
2	Sarita R. Ruia	39410	16.42%	0	39410	16.42%	0	0.00%
3	Rajendra M. Ruia	16085	6.70%	0	16085	6.70%	0	0.00%
4	Usha Sunil Patwari	9210	3.84%	0	9210	3.84%	0	0.00%
5	Schori Blasting & Metal Spraying Pvt. Ltd.	5000	2.08%	0	5000	2.08%	0	0.00%
6	Arco Electro Technologies Pvt. Ltd.	4000	1.67%	0	4000	1.67%	0	0.00%
7	Bodhesh Trade Invest LLP	4000	1.67%	0	4000	1.67%	0	0.00%
8	Narmina Trade Invest LLP	4000	1.67%	0	4000	1.67%	0	0.00%
9	Ramvallabh Trade Invest LLP	4000	1.67%	0	4000	1.67%	0	0.00%
10	Meenakshi Ruia	2700	1.12%	0	2700	1.12%	0	0.00%
		128600	53.57%	0	128600	53.57%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Reason	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1	No Change					

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Pravinkumar Kajaria	12000	5	12000	5
2	Mala Patwari	10650	4.44	10650	4.44
3	Sundeep Kajaria	9950	4.14	9950	4.44
4	Shantaben P. Shah	4000	1.67	4000	1.67
5	Sushila Rajnikant Shah	4000	1.67	4000	1.67
6	Rajnikant J. Shah	4000	1.67	4000	1.67
7	Ramila B. Shah	4000	1.67	4000	1.67
8	Ghanshyam L. Joshi	4000	1.67	4000	1.67
9	Pushpaben Jayantilal Chheda	3800	1.58	3800	1.58
10	Subhashkumar Joshi	2000	0.83	2000	0.83
11	Rajesh B. Mehta	2000	0.83	2000	0.83
12	Hansa B. Mehta	2000	0.83	2000	0.83
13	Chetan B. Mehta	2000	0.83	2000	0.83

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Rajendra M Ruia	16085	6.70%	16085	6.70%
2	Narendra M Ruia	40195	16.74%	40195	16.74%
3	Meenakshi Ruia	2700	1.12%	2700	1.12%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	0.00	0.00	0.00
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	0.00	0.00
* Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	0.00	0.00	0.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Nil

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name			(Rs/Lac)
	Designation			
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify			-
	Total (A)	-	-	-
	Ceiling as per the Act			-

B. Remuneration to other Directors

Nil

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				-
	Overall Ceiling as per the Act				-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Nil

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name			
		Designation	CEO	CFO	CS
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty				NIL	
Punishment					
Compounding					
B. DIRECTORS					
Penalty				NIL	
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty				NIL	
Punishment					
Compounding					

Date : 02.09.2020

Place: Mumbai

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

Sd/-

RAJENDRA MAHAVIRPRASAD RUIA

Director

DIN:01300823

Sd/-

NARENDRA MAHAVIR RUIA

Director

DIN:01228312

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Company Overview

Arco Leasing Limited was incorporated under the Companies Act, 1956 on February 1, 1984 in the State of Maharashtra with a view to carry on the business of leasing and hire purchase and to finance leasing and hire purchase and to finance lease operations. One of its business is to provide leasing advisory or counselling services to other entities and form the leasing arm of such entities.

The total revenue for the financial year under review was Rs. 3.12 Lakhs as against Rs. 13.20 Lakhs in the previous financial year, registering a decrease of Rs. 10.08 Lakhs. It is mainly due to decline in income from other sources namely interest earned on deposits with Banks.

As compared to previous year's profits, it was observed that there was loss before tax of Rs. 8.77 Lakhs.

The Loss After Tax for f.y. 2019-20 was Rs. 9.46 Lakhs as against the profits of Rs.0.24 Lakhs, in the previous year.

Acquisition

During the year under review, the process of acquisition of equity shares of Kolkata based Non-Banking Financial Company namely Ansu Trade & Fiscals Private Limited ("ATFPL") was completed in the month of July 2019.

The Company has acquired 18,59,630 equity shares of Rs. 10/- each of Ansu Trade & Fiscals Private Limited from the shareholders of ATFPL.

With this purchase of shares, Ansu Trade & Fiscals Private Limited has become the wholly owned subsidiary of Arco Leasing Limited w.e.f. July 31, 2019.

Industry

Currently, the Indian economy seems to be under pressure on various fronts ranging from lack of customer demand, lack of liquidity in the banking and NBFC sectors and growing international trade wars and uncertainty. With the re-election of new government in India with a sound majority, we expect stability and policy continuity along with the focus on reforms.

Risks and Concerns

Risks are inherent to Business and the Company has appropriate mitigation plans in place to deal with risks like volatility, financial risks, sustainability and climate change, regulatory changes etc.

Outlook

The year, however, ended on a sombre note with the latter half of March 2020 affected by the COVID-19 spread and resulting lockdowns. The world was disrupted when the World Health Organisation (WHO) declared Covid-19 as a 'pandemic'. The COVID-19 pandemic and its consequences make it difficult to predict the future. The Company is putting in enormous efforts to mitigate the impact of the pandemic, and register enhanced performance in FY 2021-22.

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

**Sd/-
RAJENDRA RUIA
DIRECTOR
DIN: 01300823**

**Sd/-
NARENDRA RUIA
DIRECTOR
DIN: 01228312**

**Place: Mumbai
Date: September 2, 2020**

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 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 2019-20 has been obtained from all Directors and Senior Managers.

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

**Sd/-
RAJENDRA RUIA
DIRECTOR
DIN: 01300823**

**Sd/-
NARENDRA RUIA
DIRECTOR
DIN: 01228312**

**Place: Mumbai
Date: September 2, 2020**

CEO / CFO CERTIFICATION

We the undersigned, in our capacities as Director 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, 2020 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. 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
 - iii. 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.

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

**Sd/-
RAJENDRA RUIA
DIRECTOR
DIN: 01300823**

**Sd/-
NARENDRA RUIA
DIRECTOR
DIN: 01228312**

**Place: Mumbai
Date: September 2, 2020**

To
The Members of
ARCO LEASING LIMITED
Mumbai

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, this is to certify that the Financial Results for the Year ended 31st March, 2020, 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.

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

**Sd/-
RAJENDRA RUIA
DIRECTOR
DIN: 01300823**

**Sd/-
NARENDRA RUIA
DIRECTOR
DIN: 01228312**

Place: Mumbai
Date: September 2, 2020

DECLARATIONS

Compliance with the Code of Business Conduct and Ethics as provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with ARCO LEASING LIMITED's Code of Business Conduct and Ethics for the year ended March 31, 2020.

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

**Sd/-
RAJENDRA RUIA
DIRECTOR
DIN: 01300823**

**Sd/-
NARENDRA RUIA
DIRECTOR
DIN: 01228312**

Place: Mumbai
Date: September 2, 2020



NKR & CO

CHARTERED ACCOUNTANTS

A/17-18, Everest Building, Tardeo Road,
Tardeo, Mumbai - 400 034
Tel : 2351 5414 Fax : 2351 5527
E-mail: contact@nkrco.net
Website : www.nkrco.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Arco Leasing Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Arco Leasing Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Directors Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.



Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N K R & CO

Chartered Accountants

Firm's Registration No. 127820 W

Muthu Perumal
Partner

Membership No. 157187

UDIN: 20157187AAAABQ6031

Place: Mumbai

Date: July 24, 2020



ANNEXURE REFERRED TO IN PARAGRAPH 1 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT TO THE MEMBERS OF ARCO LEASING LIMITED OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2020

- (i) Since the company does not have fixed assets as at the end of the year, Clauses (i) (a), (i) (b) and (i) (c) are not applicable.
- (ii) Since the company does not have inventory Clause (ii) is not applicable.
- (iii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, since during the year there are no transactions of loans, investments, guarantees, and security, compliance of the provisions of section 185 and 186 of the Companies Act, 2013 do not arise.
- (v) In our opinion and according to the information and explanations given to us, during the year the company has not accepted any deposits from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) (a) According to the records of the company, the company is generally regular (except certain delays) in depositing undisputed statutory dues of income-tax (except non deposit of advance income tax) with the appropriate authorities. According to the records of the company, the company does not have undisputed statutory dues of provident fund, employees' state insurance, goods and service tax, service tax, sales-tax, duty of customs, duty of excise, value added tax and cess.

(b) According to the records of the company, there are no dues of income tax, sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute.
- (viii) As the company has not borrowed any amount from Bank or Financial Institution or debenture holders, the reporting under this clause do not arise.
- (ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and during the year the company has not raised any term loan.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Since the company has not paid / provided managerial remuneration Clause (xi) is not applicable.
- (xii) Since the company is a not Nidhi Company, Clause (xii) is not applicable.



- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- (xiv) According to the records of the company, in respect of preferential allotment or private placement of shares made by the company during the year under review, the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been partly used for the purposes for which the funds were raised and part utilisation thereof is pending.
- (xv) According to the records of the company and in our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, compliance with the provisions of Section 192 of Companies Act, 2013 does not arise.
- (xvi) In our opinion and according to the information and explanations given to us, though the company's financial assets are more than 50% of total assets as at the end of the year and income from financial assets during the year is more than 50% of total income, in view of interest on deposits with bank (financial asset) being of short term nature not to form part of principal business of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N K R & CO

Chartered Accountants

Firm's Registration No. 127820 W



Muthu Perumal
Partner

Membership No. 157187

UDIN: 20157187AAAABQ6031

Place: Mumbai

Date: July 24, 2020



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ARCO LEASING LIMITED

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

We have audited the internal financial controls over financial reporting of Arco Leasing Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N K R & CO

Chartered Accountants
Firm's Registration No. 127820 W



Muthu Perumal
Partner
Membership No. 157187
UDIN: 20157187AAAABQ6031
Place: Mumbai
Date: July 24, 2020



ARCO LEASING LIMITED

BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
ASSETS			
Non Current Assets			
Financial Assets			
Investments	2	217.19	-
Other Non Current Assets	3	-	0.04
		217.19	0.04
Current Assets			
Financial Assets			
Investments	4	14.95	2.64
Trade Receivables	5	-	0.02
Cash and Cash Equivalents	6a	0.64	0.87
Bank Balances Other Than Above	6b	-	190.00
Other Financial Assets	7	-	22.80
		15.59	216.33
TOTAL ASSETS		232.78	216.37
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	24.01	24.01
Other Equity	9	(27.63)	(18.17)
		(3.62)	5.84
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		1.82	8.43
Other Financial Liabilities	11	200.00	200.00
Other Current Liabilities	12	34.26	-
Current Tax Liabilities (Net)	13	0.32	2.10
		236.40	210.53
TOTAL EQUITY AND LIABILITIES		232.78	216.37

Significant Accounting Policies
(Notes forms integral part of Accounts)

1

As per our report of even date

For N K R & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sd/
Muthu Perumal
Partner

Place: Mumbai
Date: July 24, 2020

Sd/
Rajendra Ruia
Director
DIN:01300823
Place: Mumbai
Date: July 24, 2020

Sd/
Narendra Ruia
Director
DIN:01228312
Place: Mumbai

ARCO LEASING LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
		₹ in lakhs	₹ in lakhs
Revenue			
Other Income	14	3.12	13.20
Total Income		3.12	13.20
Expenses			
Other Expenses	15	11.89	9.38
Total Expenses		11.89	9.38
Profit/(Loss) from ordinary activities before tax		(8.77)	3.82
Tax expense			
a) Current Tax		(0.69)	(3.41)
b) Deferred Tax			(0.17)
Profit/(Loss) after tax		(9.46)	0.24
Other Comprehensive Income		-	-
Total Comprehensive Income (comprising loss and other comprehensive income)		(9.46)	0.24
Basic & Diluted Earnings per Share of ₹ 10 each	16	(3.94)	0.10

Significant Accounting Policies
(Notes forms integral part of Accounts)

1

As per our report of even date

For N K R & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sd/
Muthu Perumal
Partner

Place: Mumbai
Date: July 24, 2020

Sd/
Rajendra Ruia
Director
DIN:01300823
Place: Mumbai
Date: July 24, 2020

Sd/
Narendra Ruia
Director
DIN:01228312
Place: Mumbai

-

ARCO LEASING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

A. EQUITY SHARE CAPITAL

	(₹ in lakhs)
Balance as at March 31, 2018	24.01
Changes in share capital during the year	-
Balance as at March 31, 2019	24.01
Changes in share capital during the year	-
Balance as at March 31, 2020	24.01

B. OTHER EQUITY

	(₹ in lakhs)
As at March 31, 2018	(18.41)
Profit/(loss) for the year	0.24
Other Comprehensive Income	-
As at March 31, 2019	(18.17)
Profit/(loss) for the year	(9.46)
Other Comprehensive Income	-
Total	(27.63)

As per our report of even date

For N K R & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sd/
Muthu Perumal
Partner

Place: Mumbai
Date: July 24, 2020

Sd/
Rajendra Ruia
Director
DIN:01300823
Place: Mumbai
Date: July 24, 2020

Sd/
Narendra Ruia
Director
DIN:01228312
Place: Mumbai
Date: July 24, 2020

ARCO LEASING LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
	₹ in lakhs	₹ in lakhs
Cash Flow From Operating Activities		
Profit before taxation	(8.77)	3.82
Adjustment for:		
Net Loss / (Gain) on sale of Investment	(0.80)	0.01
Fair Value changes in Non Current Investments	(2.21)	-
Interest income	(0.10)	(13.07)
Loss on fixed assets discarded	-	0.09
Balance Written off	0.02	-
Operating Profit / (Loss) before working capital changes	(11.86)	(9.15)
Adjustment for:		
(Increase)/Decrease in Receivables		0.74
(Increase)/Decrease in Current Assets and Financial assets	22.80	0.01
Increase / (Decrease) in Payables and Financial liabilities	27.65	0.33
Cash used in operations	38.59	(8.07)
Less: Taxes on Income Paid	(2.43)	(1.31)
Net Cash generated from / (used in) Operating Activities	36.16	(9.38)
Cash Flow From Investing Activities		
Purchase of Investments (including advances)	(419.19)	(11.53)
Interest received	0.10	1.80
Proceeds from Sale of Investments	192.70	8.38
Net Cash used in Investing Activities	(226.39)	(1.35)
Cash Flow From Financing Activities		
Proceeds from issue of shares	-	200.00
Net Cash generated from Financing Activities	-	200.00
Net increase / (decrease) in cash and cash equivalents	(190.23)	189.27
Cash and cash equivalents at the beginning of the year	190.87	1.60
Cash and cash equivalents at the end of the year	0.64	190.87

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 N K R & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sd/
Muthu Perumal
Partner

Place: Mumbai
Date: July 24, 2020

Sd/
Rajendra Ruia
Director
DIN:01300823
Place: Mumbai
Date: July 24, 2020

Sd/
Narendra Ruia
Director
DIN:01228312
Place: Mumbai

-

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, 2020

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 FVOCI 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.

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.

ARCO LEASING LIMITED

Notes forming part of the financial statements for the year ended March 31, 2020

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, 2020

2 Investments Non-Current

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Long term unquoted non-trade fully paid up Investments in Subsidiary 1,859,630 (P.Y.nil) Investment in Ansu Trade & Fiscals Pvt Ltd ₹ 10 each	217.19	-
Total	217.19	-

3 Other Non Current Assets

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Unsecured, Considered Good Advance Income Tax (Net)	-	0.04
Total	-	0.04

4 Investments - Current

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
<u>Current Investments</u> <u>Investments in Mutual Funds</u> 12,788.892 units (P.Y. 55,000) UTI Dynamic Bond Fund - Regular Growth Plan	14.95	2.64
Total	14.95	2.64

5 Trade Receivables

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Unsecured, considered good	-	0.02
Total	-	0.02

6 a) Cash and Cash Equivalents

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Cash in hand	0.05	0.27
Balance with Bank in Current Accounts	0.59	0.60
Total	0.64	0.87

b) Bank Balances Other Than Above

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Fixed Deposit with Bank with maturity period exceeding three months but not exceeding twelve months	-	190.00
Total	-	190.00

7 Other Financial Assets

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Interest receivable	-	11.27
Advance towards purchase of investments	-	11.53
Total	-	22.80

ARCO LEASING LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

8 Equity Share Capital

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Authorized Capital* 3,000,000 (P.Y. 250,000) 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, 2020		March 31, 2019	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
Equity Shares				
Balance at the beginning of the year	240,070	24.01	240,070	24.01
Issued during the year	-	-	-	-
Balance at the end of the year	240,070	24.01	240,070	24.01

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

	March 31, 2020		March 31, 2019	
	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 March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Retained Earnings		
Balance at the beginning of the year	(18.17)	(18.41)
Add: Profit/(loss) for the year	(9.46)	0.24
Balance at the end of the year	(27.63)	(18.17)
Total	(27.63)	(18.17)

10 Trade Payables

	As at March 31, 2020 ₹ in lakhs	As at March 31, 2019 ₹ in lakhs
Trade payables		
Total outstanding dues of micro enterprises and small		-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.82	8.43
Total	1.82	8.43

11 Other Financial Liabilities

	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
200,000 0.01% Cumulative Redeemable Preference Shares of ₹ 100 each	200.00	200.00
Total	200.00	200.00

Notes:

a) Authorized Capital:

Particulars	March 31, 2020	March 31, 2020
300,000 (P.Y. Nil) Cumulative Redeemable Preference Shares of ₹ 100 each		300.00

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

	March 31, 2020		March 31, 2019	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Preference shares				
Balance at the beginning of the year	200,000	200.00	-	-
Issued during the year	-	-	200,000.00	200
Balance at the end of the year	200,000	200.00	200,000.00	200

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

	March 31, 2020		March 31, 2019	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Edwell Infrastructure Hazira Ltd	200,000	200.00	200,000.00	200.00

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, 2020

12 Other Current Liabilities

	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Statutory Liabilities	0.10	-
Advance from others	34.16	-
Total	34.26	-

13 Current Tax Liabilities (Net)

	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs
Current Income Tax Liability (Net)	0.32	2.10
Total	0.32	2.10

ARCO LEASING LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

14 Other Income

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in lakhs	₹ in lakhs
Interest on deposits with bank	0.10	13.07
Profit on Sale of Investments	0.80	-
Fair value Changes in Investments	2.22	0.13
Total	3.12	13.20

15 Other Expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
	₹ in lakhs	₹ in lakhs
Audit fees	0.75	0.50
Advertisement Expenses	0.61	0.35
Conveyance Expenses	0.22	
Fee Taxes & Duties	3.54	
Legal & Professional Fees	5.35	1.67
Late Fee Income Tax	0.10	
Miscellaneous Expenses	0.02	0.02
Professional Tax	0.03	
Printing & Stationery	0.20	0.32
Filing Fees, Rates & Taxes	1.03	6.42
Sundry Balance Written off	0.02	
Website Exp	0.02	
Loss on fixed assets discarded		0.09
Loss on Sale of investments		0.01
Total	11.89	9.38

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, 2020	March 31, 2019
Earnings [Profit/(Loss) after tax]	(9.46)	0.24
Weighted average number of equity shares for the purpose of calculating earnings per share	240,070	240,070
Basic & Diluted Earnings per share of face value of ₹ 10 each (₹)	(3.94)	0.10

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

18 The Company does not have related parties and necessary disclosure of transaction and balances are not applicable.

19 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, 2020

20 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, 2020		As at March 31, 2019	
	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	-	-
Trade Receivables	-	-	0.02	0.02
Cash and Cash Equivalents	0.64	0.64	0.87	0.87
Bank Balances Other Than (iii) Above	-	-	190.00	190.00
Other Financial Assets	-	-	22.80	22.80
Total financial assets carried at amortised cost	217.83	217.83	213.69	213.69
Fair Value through profit and loss account				
Investment in Mutual Funds	14.95	14.95	2.64	2.64
	14.95	14.95	2.64	2.64
Financial liabilities				
Measured at amortised cost				
Trade Payables	1.82	1.82	8.43	8.43
Other Financial Liabilities	200.00	200.00	200.00	200.00
Financial liabilities measured at amortised cost	201.82	201.82	208.43	208.43

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, 2020	As at March 31, 2019
	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)	14.95	2.64

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, 2020

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, 2020				As at March 31, 2019			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Financial assets								
Investments	232.14	-	-	232.14	2.64	-	-	2.64
Trade Receivables	-	-	-	-	0.02	-	-	0.02
Cash and Cash Equivalents	0.64	-	-	0.64	0.87	-	-	0.87
Bank Balances Other Than (iii) Above	-	-	-	-	190.00	-	-	190.00
Other Financial Assets	-	-	-	-	22.80	-	-	22.80
Total financial assets	232.78	-	-	232.78	216.33	-	-	216.33
Financial liabilities								
Trade Payables	1.82	-	-	1.82	8.43	-	-	8.43
Other Financial Liabilities	200.00	-	-	200.00	200.00	-	-	200.00
Total financial liabilities	201.82	-	-	201.82	208.43	-	-	208.43

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

As per our report of even date

For N K R & CO
Chartered Accountants

Sd/
Muthu Perumal
Partner

Place: Mumbai
Date: July 24, 2020

For and on behalf of the Board of Directors

Sd/
Rajendra Ruia
Director
DIN:01300823
Place: Mumbai
Date: July 24, 2020

Sd/
Narendra Ruia
Director
DIN:01228312
Place: Mumbai



NKR & CO

CHARTERED ACCOUNTANTS

A/17-18, Everest Building, Tardeo Road,
Tardeo, Mumbai - 400 034
Tel : 2351 5414 Fax : 2351 5527
E-mail: contact@nkrco.net
Website : www.nkrco.in

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCO LEASING LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ARCO LEASING LIMITED** ("the Company") and its subsidiaries ("the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Door No. 6-2-941, Flat No. 205,
Mughal's Emami Mansion,
Khairtabad,
Hyderabad - 500 004
Tel : 040 6675 8388

1305, Arcadia Building,
Next to Earnest House,
NCPA Marg, Nariman Point,
Mumbai - 400 021
Tel : 2204 0356

618, Swagat Business Hub,
Beside GSPC Gas Station,
ONGC Cross Roads, Ichhapore,
Surat - 394 510

Door No. 2-5-16,
Sriranga Nilayam,
Juvvalapalem Road,
Bhimavaram - 534 202
Tel : 08816 230 388

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and its consolidated loss, the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

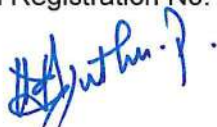
Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (c) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure".
 - (d) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 26(B) to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For N K R & CO

Chartered Accountants

Firm Registration No. 127820 W



Muthu Perumal

Partner

Membership No.157187

UDIN: 20157187AAAABR1407

Place: Mumbai

Date: July 24, 2020



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ARCO LEASING LIMITED

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

We have audited the internal financial controls over financial reporting of Arco Leasing Limited and subsidiaries ("the Company") as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N K R & CO

Chartered Accountants

Firm Registration No. 127820 W



Muthu Perumal

Partner

Membership No.157187

UDIN: 20157187AAAABR1407

Place: Mumbai

Date: July 24, 2020



ARCO LEASING LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

	Note No.	As at March 31, 2020 ₹ in lakhs
ASSETS		
Non Current Assets		
Property, Plant and Equipment	2	2.73
Other Non Current Assets	3	0.22
		2.95
Current Assets		
Financial Assets		
Investments	4	14.95
Cash and Cash Equivalents	5	205.28
Loans	6	10.00
Other Financial Assets	7	1.00
		231.23
TOTAL ASSETS		234.18
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	8	24.01
Other Equity	9	(27.51)
		(3.50)
Liabilities		
Current Liabilities		
Financial liabilities		
Trade Payables	10	-
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2.02
Other Financial Liabilities	11	200.00
Other Current Liabilities	12	35.26
Current Tax Liabilities (Net)	13	0.32
Provisions	14	0.08
		237.68
TOTAL EQUITY AND LIABILITIES		234.18

Significant Accounting Policies
(Notes forms integral part of Accounts)

1

As per our report of even date

For N K R & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sd/
Muthu Perumal
Partner

Sd/
Rajendra Ruia
Director
DIN:01300823
Place: Mumbai
Date: July 24, 2020

Sd/
Narendra Ruia
Director
DIN:01228312

Place: Mumbai
Date: July 24, 2020

ARCO LEASING LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

	Note No.	For the year ended March 31, 2020 ₹ in lakhs
Revenue		
Other Income	15	3.73
Total Income		3.73
Expenses		
Other Expenses	16	12.38
Total Expenses		12.38
Profit/(Loss) from ordinary activities before tax		(8.65)
Tax expense		
Current Tax		(0.69)
Profit/(Loss) after tax		(9.34)
Other Comprehensive Income		-
Total Comprehensive Income (comprising loss and other comprehensive income)		(9.34)
Basic & Diluted Earnings per Share of ₹ 10 each	17	(3.89)

Significant Accounting Policies
(Notes forms integral part of Accounts)

1

As per our report of even date

For N K R & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sd/
Muthu Perumal
Partner

Place: Mumbai
Date: July 24, 2020

Sd/
Rajendra Ruia
Director
DIN:01300823
Place: Mumbai
Date: July 24, 2020

Sd/
Narendra Ruia
Director
DIN:01228312

ARCO LEASING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

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, 2020	24.01

B. OTHER EQUITY

	(₹ in lakhs)
Balance at the beginning of the year	(18.17)
Profit/(loss) for the year	(9.34)
Other Comprehensive Income	-
Total	(27.51)

As per our report of even date

For N K R & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sd/
Muthu Perumal
Partner

Place: Mumbai
Date: July 24, 2020

Sd/
Rajendra Ruia
Director
DIN:01300823
Place: Mumbai
Date: July 24, 2020

Sd/
Narendra Ruia
Director
DIN:01228312

-
-

ARCO LEASING LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	Year ended March 31, 2020 ₹ in lakhs
Cash Flow From Operating Activities	
Profit before taxation	(8.65)
Adjustment for:	
Net Loss / (Gain) on sale of Investment	(0.80)
Fair Value changes in Non Current Investments	(2.21)
Interest income	(0.10)
Balance Written off	0.02
Operating Cash Flow before working capital changes	(11.74)
Adjustment for:	
(Increase)/Decrease in Receivables	94.69
(Increase)/Decrease in Current Assets and Financial assets	27.76
Increase / (Decrease) in Payables and Financial liabilities	
Cash generated from operations	110.71
Less: Taxes on Income (Paid)/Refund (Net)	(2.23)
Net Cash generated from / (used in) Operating Activities	108.48
Cash Flow From Investing Activities	
Purchase of Investments (including advances)	(419.19)
Interest received	0.10
Proceeds from Sale of Investments	192.70
Net Cash used from Investing Activities	(226.39)
Net increase / (decrease) in cash and cash equivalents	(117.91)
Cash and cash equivalents at the beginning of the year	190.87
Cash and cash equivalents at the beginning on consolidation	132.32
Cash and cash equivalents at the end of the year	205.28

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 N K R & CO
Chartered Accountants

For and on behalf of the Board of Directors

Sd/
Muthu Perumal
Partner

Sd/
Rajendra Ruia
Director

Sd/
Narendra Ruia
Director

Place: Mumbai
Date: July 24, 2020

DIN:01300823
Place: Mumbai
Date: July 24, 2020

DIN:01228312

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.

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 are 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

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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.

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, 2020

2 Property, Plant and Equipment

	As at
	March 31, 2020
	₹ in lakhs
Goodwill on Consolidation	2.73
	2.73

3 Current tax assets (Net)

	As at
	March 31, 2020
	₹ in lakhs
Income Tax	0.19
Mat Credit Entitlement	0.03
TOTAL	0.22

4 Investments - Current

	As at
	March 31, 2020
	₹ in lakhs
Current Investments	
Investments in Mutual Funds	
12,788.892 units UTI Dynamic Bond Fund - Regular Growth Plan	14.95
Total	14.95

5 Cash and Cash Equivalents

	As at
	March 31, 2020
	₹ in lakhs
Cash in hand	0.09
Balance with Bank in Current Accounts	205.19
Total	205.28

6 Other Financial Assets

	As at
	March 31, 2020
	₹ in lakhs
Loan to Others	10.00
Total	10.00

7 Other Financial Assets

	As at
	March 31, 2020
	₹ in lakhs
Interest Receivable	1.00
Total	1.00

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year

8 Equity Share Capital

	As at
	March 31, 2020
	₹ in lakhs
Authorized Capital*	
3,000,000 Equity Shares of ₹ 10 each	300.00
	300.00
Issued, Subscribed & Fully Paid up Capital	
240,070 Equity Shares of ₹ 10 each	24.01
Total	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, 2020	
	Numbers	₹ in lakhs
Equity Shares		
Balance at the beginning of the year	240,070	24.01
Issued during the year	-	-
Balance at the end of the year	240,070	24.01

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

	March 31, 2020	
	Numbers	
Shri Narendra Ruia	40,195	16.74%
Smt. Sarita Ruia	39,410	16.42%
Shri Rajendra Ruia	16,085	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
	March 31, 2020
	₹ in lakhs
Retained Earnings	
Balance at the beginning of the year	(18.17)
Add: Profit/(loss) for the year	(9.34)
Balance at the end of the year	(27.51)
Total	(27.51)

10 Trade Payables

	As at
	March 31, 2020
	₹ 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	2.02
Total	2.02

11 Other Financial Liabilities

	As at
	March 31, 2020
	₹ in Lakhs
200,000 0.01% Cumulative Redeemable Preference Shares of ₹ 100 each	200.00
Total	200.00

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year

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, 2020	
	Numbers	₹ in Lakhs
Preference shares		
Balance at the beginning of the year	200,000	200.00
Issued during the year	-	-
Balance at the end of the year	200,000	200.00

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

Preference shares	March 31, 2020	
	Numbers	₹ in Lakhs
Edwell Infrastructure Hazira Ltd	200,000	200.00

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
	March 31, 2020
	₹ in Lakhs
Statutory Liabilities	0.10
Advance from others	35.16
Total	35.26

13 Current Tax Liabilities (Net)

	As at
	March 31, 2020
	₹ in Lakhs
Current Income Tax Liability (Net)	0.32
Total	0.32

14 Provisions

	As at
	March 31, 2020
	₹ in Lakhs
Contingent Provision Against Standard Assets	0.08
Total	0.08

ARCO LEASING LIMITED

Significant Accounting policies and Notes forming part of the consolidated financial statements for the year ended March 31, 2020

15 Other Income

	For the year ended
	March 31, 2020
	₹ in lakhs
Interest on deposits with bank	0.10
Interest	0.61
Profit on Sale of Investments	0.80
Fair value Changes in Investments	2.22
Total	3.73

16 Other Expenses

	For the year ended
	March 31, 2020
	₹ in lakhs
Audit fees	0.95
Accounting Charges	0.27
Advertisement Expenses	0.61
Conveyance Expenses	0.22
Fee Taxes & Duties	3.54
Legal & Professional Fees	5.35
Late Fee Income Tax	0.10
Miscellaneous Expenses	0.02
Professional Tax	0.03
Printing & Stationery	0.20
Filing Fees, Rates & Taxes	1.05
Sundry Balance Written off	0.02
Website Exp	0.02
Total	12.38

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.

Earnings [Profit/(Loss) after tax]	(9.34)
Weighted average number of equity shares for the purpose of calculating earnings per share	24.01
Basic & Diluted Earnings per share of face value of ₹ 10 each (₹)	(3.89)

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

19 The Company does not have related parties and necessary disclosure of transaction and balances are not applicable.

20 The company has single business segment of Investments.

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, 2020	
	Carrying amount	Fair values
	(₹ in lakhs)	
Financial assets		
Measured at amortised cost		
Cash and Cash Equivalents	205.28	205.28
Other Financial Assets	1.00	1.00
Total financial assets carried at amortised cost	206.28	206.28
Fair Value through profit and loss account		
Investment in Mutual Funds	14.95	14.95
	14.95	14.95
Financial liabilities		
Measured at amortised cost		
Trade Payables	2.02	2.02
Other Financial Liabilities	200.00	200.00
Financial liabilities measured at amortised cost	202.02	202.02

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, 2020	
	Fair value measurement using	
	Quoted prices in active markets (Level 1)	
	(₹ in lakhs)	
FVTPL financial assets designated at fair value		
Investment in Mutual Funds (quoted)		14.95

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.

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	(₹ in lakhs)			
	As at March 31, 2020			
	< 1year	1-5 years	> 5 years	Total
Financial assets				
Investments	14.95	-	-	14.95
Cash and Cash Equivalents	205.28	-	-	205.28
Other Financial Assets	1.00	-	-	1.00
Total financial assets	221.23	-	-	221.23
Financial liabilities				
Trade Payables	2.02	-	-	2.02
Other Financial Liabilities	200.00	-	-	200.00
Total financial liabilities	202.02	-	-	202.02

ARCO LEASING LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

22 These consolidated financial statements include financials of 100% subsidiary companies viz. Ansu Trade & Fiscals Pvt Ltd. (subsidiary company acquired during the year) whose financial year ended on March 31, 2020.

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

Name of the entity	Net Assets		Share in Profit / (Loss)	
	March 31, 2020		March 31, 2020	
	as % of Consolidated Net Assets	Amount (₹)	as % of Consolidated Profit / (Loss)	Amount (₹)
Parent Arco Leasing Ltd.	103.43%	(3.62)	101.28%	(9.46)
Subsidiaries - Indian Ansu Trade & Fiscals Pvt Ltd..	-3.43%	0.12	-1.28%	0.12

As per our report of even date

For N K R & CO

Chartered Accountants

Sd/

Muthu Perumal

Partner

Place: Mumbai

Date: July 24, 2020

For and on behalf of the Board of Directors

Sd/

Rajendra Ruia

Director

DIN:01300823

Place: Mumbai

Date: July 24, 2020

Sd/

Narendra Ruia

Director

DIN:01228312