

**Madan Dedhia**  
B. Com., F.C.A.

**Dhaval Karania**  
B. Com., A.C.A.

**Madan Dedhia & Associates**  
Chartered Accountants

**Address:**

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**Independent Auditor's Report  
To the Members of  
Aarti Circularity Limited**

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of **Aarti Circularity Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2025, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, Cash Flow Statement, and the Statement of Changes in Equity and notes to the standalone Ind AS 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, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2025, its loss including other comprehensive income, its cash-flows and the changes in equity for the period ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SA's), as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our 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 of our opinion on the standalone Ind AS financial statements.

**Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of Directors Report with its annexure, but does not include Financial Statements and our auditor's report thereon.

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



In connection with our audit of the standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information; we required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibilities are to obtain reasonable assurance about whether the Standalone 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 high level of assurance but it is not guarantee that an audit concluded in accordance with the SA's 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards referred specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2025, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
  - 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the period is in accordance with the provisions of section 197 of the Act; and
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company does not any pending litigations on its financial position in its Financial Statements.
    - ii. The company did not have any long-term contracts including derivative contracts which were any material foreseeable losses;
    - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company;



- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. There is no dividend declared and paid by the Company during the year and until the date of this report.
- vi. Based on our examination, which included test check, the Company has used accounting software's for maintaining its books of accounts for the financial year ended 31<sup>st</sup> March, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

**For Madan Dedhia & Associates**  
**Chartered Accountants**  
**Firm Registration No. 113095W**



**Dhaval Karania**  
**Partner**  
**Membership No. 151890**  
**UDIN: 25151890BMGXJN8764**



**Place: Mumbai**  
**Date: 2<sup>nd</sup> May, 2025.**

## **ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS**

(Referred to in para 1 under Report on Other Legal and Regulatory Requirements' section of our report of even date)

The Annexure referred to in our Auditors' Report to the members of the Company on the standalone financial statements for the period ended 31<sup>st</sup> March, 2025, we report that:

- i. a) (A) In our opinion and according to the information and explanation given to us, the Company does not hold any have any fixed assets at any time during the period under audit, accordingly para 3(i)(a)(A) of the Order is not applicable.  
  
a) (B) In our opinion and according to the information and explanation given to us, the Company does not hold any have any intangible assets at any time during the period under audit, accordingly para 3(i)(a)(B) of the Order is not applicable.  
  
b) As the company does not have any Property, Plant and Equipment, reporting under clause 3(i)(b) of the Order is not applicable.  
  
c) As the company is not having any immovable properties, reporting under clause 3(i)(c) of the Order is not applicable.  
  
d) As the company is not having any Property, Plant and Equipment or Intangible assets, reporting under clause 3(i)(d) of the Order is not applicable.  
  
e) Based on the information and explanation furnished to us, no proceedings have been initiated on the Company under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and Rules made there under.
- ii. (a) In our opinion and according to the information and explanation given to us, the Company is not having any inventory at any time during the period ended under audit; accordingly, para 3(ii)(a) of the Order is not applicable.  
  
(b) During the year, the company has not been sanctioned, any point of time of the year, working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us the company has not granted 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 accordingly, para 3(iii) of the Order is not applicable..
- iv. In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees and securities or made any investment respect to the provisions of Section 185 and 186 of the Act, accordingly, para 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 accordingly, para 3(v) of the Order is not applicable..



- vi. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013; accordingly, para 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of the accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Profession Tax, Goods & Service Tax (GST), Cess and any other statutory dues have been regularly deposited during the period by the company with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax (GST), Cess and any other statutory dues which have not been deposited by the company on account of disputes
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the company there are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. a) According to the information and explanations given to us, the Company has not defaulted in repayment of dues from any financial institutions, banks, government. The company does not have any borrowings by way of debentures.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) According to the information and explanations given to us, on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us, we report that the Company has not raised any loans during the year on the pledge of securities held in its and its subsidiaries, associates or joint ventures and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Hence, reporting under clause 3(x)(a) of the Order is not applicable to the Company..



b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a) According to the information and explanations given to us, to the best of our knowledge and according to the information and explanations given to us and on the basis of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, no fraud by the Company or on the Company was noticed or reported during the year.

b) According to the information and explanations given to us, to the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central Government, during the year and up-to the date of this report.

c) According to the information and explanations given to us, including the representation made to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause (xi)(c) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. The Company is not required to have internal audit system as required under Section 138 of the Companies Act, 2013 and hence, the reporting under clause 3(xiv)(a) and (b) of the Order is not applicable.

xv. In our opinion and according to the information and explanations given to us, during the year, Company has not entered into any non-cash transactions with its directors or persons connected with him and accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) In our opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.



(d) According to the information and explanations given by the management, the Group does not have not more than one CIC as part of the Group. Accordingly, the reporting under Clause 3(xvi)(d) is not applicable to the Company.

- vii. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- viii. There has been a resignation of the statutory auditors during the year and, we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our examination of the records of the Company Reporting under CSR compliance under reporting under clause (xx) of the Order is not applicable.
- xxi. The reporting under clause (xxi) of the Order is not applicable in respect of audit of standalone financial statements; accordingly, no comment in respect of the said clause has been included in this report.

**For Madan Dedhia & Associates**  
**Chartered Accountants**  
**Firm Registration No. 113095W**

*D Karania*

**Dhaval Karania**  
**Partner**  
**Membership No. 151890**  
**UDIN: 25151890BMGXJN8764**



**Place: Mumbai**  
**Date: 2<sup>nd</sup> May, 2025.**

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS**

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Control 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 **Aarti Circularity Limited** ("the Company") as of 31<sup>st</sup> March, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the period 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 ICAI 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 with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to these standalone Ind AS financial statements.



### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting with reference to these Standalone Financial Statements 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

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **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 31<sup>st</sup> March, 2025, 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 Madan Dedhia & Associates**

**Chartered Accountants**

**Firm Registration No. 113095W**



**Dhaval Karania**

**Partner**

**Membership No. 151890**

**UDIN: 25151890BMGXJN8764**



**Place: Mumbai**

**Date: 2<sup>nd</sup> May, 2025.**

## AARTI CIRCULARITY LIMITED (formerly known as Aarti Spechem Ltd)

Balance Sheet as at 31st March, 2025

CIN: U24100GJ2019PLC111065

(Rs in Thousand)

Particulars	Note No.	As at 31st March, 2025	As at 31st March, 2024
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment		NIL	NIL
Capital Work-in-Progress		NIL	NIL
Intangible Assets		NIL	NIL
Financial Assets			
Investments	1	49.00	NIL
Other Non-Current Assets		NIL	NIL
<b>Total Non-Current Assets</b>		<b>49.00</b>	<b>NIL</b>
<b>Current Assets</b>			
Inventories		NIL	NIL
Financial Assets			
Trade Receivables		NIL	NIL
Cash and Cash Equivalents	2	643.84	2,116.41
Others Current Financial Assets		NIL	NIL
Other Current Assets		NIL	NIL
<b>Total Current Assets</b>		<b>643.84</b>	<b>2,116.41</b>
<b>TOTAL ASSETS</b>		<b>692.84</b>	<b>2,116.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	3	2,500.00	2,500.00
Other Equity	4	(2,829.66)	(409.59)
<b>Total Equity</b>		<b>(329.66)</b>	<b>2,090.41</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings		NIL	NIL
Other Financial Liabilities		NIL	NIL
Deferred Tax Liabilities (Net)		NIL	NIL
<b>Total Non-Current Liabilities</b>		<b>NIL</b>	<b>NIL</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings		NIL	NIL
Trade Payables Due to:			
Micro and Small Enterprises		NIL	NIL
Other Than Micro and Small Enterprises		NIL	6.00
Other Current Liabilities	5	1,022.50	20.00
Provisions		NIL	NIL
<b>Total Current Liabilities</b>		<b>1,022.50</b>	<b>26.00</b>
<b>Total Liabilities</b>		<b>1,022.50</b>	<b>26.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>692.84</b>	<b>2,116.41</b>

## Summary of Significant Accounting Policies and other Explanatory Information

1-11

As per our report of even date

For Madan Dedhia & Associates  
Chartered Accountants  
Firm Registration No. : 113095W

For and on behalf of the Board

Dhavall M Karania  
Partner  
Membership No. : 151890  
Place: Mumbai  
Date: May 2, 2025



Chetan B. Gandhi  
Director  
DIN: 06843850

Shyam S. Dhekekar  
Director  
DIN: 08620002

**AARTI CIRCULARITY LIMITED (formerly known as Aarti Spechem Ltd)****Statement of Profit and Loss for the year ended 31st March, 2025****CIN: U24100GJ2019PLC111065****(Rs in Thousand)**

<b>Particulars</b>	<b>Note No.</b>	<b>For the Year Ended 31st March, 2025</b>	<b>For the Year Ended 31st March, 2024</b>
<b>REVENUE</b>			
Revenue from Operations		NIL	NIL
Other Income		NIL	NIL
<b>Total Revenue</b>		<b>NIL</b>	<b>NIL</b>
<b>EXPENSES</b>			
Cost of Materials Consumed (Incl. Packing Material,		NIL	NIL
Purchases of Stock-in-Trade		NIL	NIL
Changes in Inventories of Finished Goods, Work-in-		NIL	NIL
Employee Benefits Expense		NIL	NIL
Finance Costs		NIL	NIL
Depreciation and Amortisation Expenses		NIL	NIL
Other Expenses	6	2,420.07	50.68
<b>Total Expenses</b>		<b>2,420.07</b>	<b>50.68</b>
<b>PROFIT BEFORE TAX</b>		<b>(2,420.07)</b>	<b>(50.68)</b>
<b>TAX EXPENSES</b>			
Current Year Tax		NIL	NIL
Deferred Tax		NIL	NIL
<b>Total Tax Expenses</b>		<b>NIL</b>	<b>NIL</b>
<b>PROFIT AFTER TAX</b>		<b>(2,420.07)</b>	<b>(50.68)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>NIL</b>	<b>NIL</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(2,420.07)</b>	<b>(50.68)</b>
<b>Earnings Per Equity Share (EPS) (in Rs)</b>	7		
Basic/Diluted		(9.68)	(0.20)

**Summary of Significant Accounting Policies and other  
Explanatory Information****1-11**

As per our report of even date

For Madan Dedhia &amp; Associates

Chartered Accountants

FRN No. : 113095W

Dhaval M Karania

Partner

Membership No. : 151890

Place: Mumbai

Date: May 2, 2025



For and on behalf of the Board

C.B. Gandhi

Chetan B. Gandhi

Director

DIN: 06843850

Shyam S. Dhekekar

Shyam S. Dhekekar

Director

DIN: 08620002

**AARTI CIRCULARITY LIMITED (formerly known as Aarti Spechem Ltd)**

**Cash Flow Statement for the year ended 31st March, 2025**

**CIN: U24100GJ2019PLC111065**

(Rs in Thousand)

Particulars	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before extraordinary items and tax	(2,420.07)	(50.68)
<b>Change in current Assets &amp; Liabilities</b>		
Adjustments for increase / (decrease) in operating liabilities:		
Other Current liabilities	996.50	NIL
<b>Net Cash inflow/(out flow) from Operating Activities (A)</b>	<b>(1,423.57)</b>	<b>(50.68)</b>
<b>B. Cash Flow from Investing Activities</b>		
Increase/Decrease In Investment	(49.00)	NIL
<b>Net Cash inflow/(outflow) from Investing activities (B)</b>	<b>(49.00)</b>	<b>NIL</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of equity shares	NIL	NIL
Proceeds/(Repayment) of Other Borrowings	NIL	NIL
<b>Net Cash inflow/(out flow) from Financing Activities (C)</b>	<b>NIL</b>	<b>NIL</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(1,472.57)</b>	<b>(50.68)</b>
Cash and Cash equivalent as at the commencement of the period	2,116.41	2,167.09
Cash and Cash equivalent as at the End of the period	643.84	2,116.41

**Note:**

(i) Cash and Cash equivalent is Cash and Bank Balances as per Balance Sheet.

As per our report of even date

**For Madan Dedhia & Associates**

**Chartered Accountants**

**FRN No. : 113095W**



*D. Karania*

**Dhaval M Karania**

**Partner**

**Membership No. : 151890**

**Place: Mumbai**

**Date: May 2, 2025**

**For and on behalf of the Board**

*C. B. Gandhi*

**Chetan B. Gandhi**

**Director**

**DIN: 06843850**

*Shyam S. Dhekekar*

**Shyam S. Dhekekar**

**Director**

**DIN: 08620002**

**AARTI CIRCULARITY LIMITED (formerly known as Aarti Spechem Ltd)**  
**Statement of Changes in Equity for the year ended 31st March, 2025**  
**CIN: U24100GJ2019PLC111065**

**A. EQUITY SHARE CAPITAL**

(Rs in Thousand)

As at 1st April, 2023	2,500.00
Changes in equity share capital during the year 2023-24	NIL
As at 31st March, 2024	2,500.00
Changes in equity share capital during the year 2024-25	NIL
As at 31st March, 2025	2,500.00

**B. OTHER EQUITY**

(Rs in Thousand)

Particulars	Other Equity	Total Other Equity
	Reserves and Surplus	
	Retained Earnings	
As at 1st April, 2023	(358.91)	(358.91)
Profit for the Period	(50.68)	(50.68)
Balance as at 31st March, 2024	(409.59)	(409.59)
Profit for the Period	(2,420.07)	(2,420.07)
Balance as at 31st March, 2025	(2,829.66)	(2,829.66)

As per our report of even date

For and on behalf of the Board

For Madan Dedhia & Associates

Chartered Accountants

FRN No. : 113095W



**Dhaval M Karania**

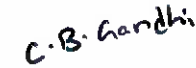
Partner

Membership No. : 151890

Place: Mumbai

Date: May 2, 2025





**Chetan B. Gandhi**

Director

DIN: 06843850



**Shyam S. Dhekekar**

Director

DIN: 08620002

**1 Significant Accounting Policies:****a Accounting Convention**

The Company has prepared the balance sheet as per Ind AS by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS and applying Ind AS in measurement of Recognised assets and liabilities.

**b Use of Estimates**

The preparation of financial statements requires the management estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

**c Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**d Taxes on Income**

i. Provision for current tax is determined on the basis of taxable income for the period as per the provisions of Income Tax Act, 1961.

ii. Deferred tax for the year is recognized, on timing differences, being difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

**e Revenue Recognition****Sale of goods**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include sales tax and value added tax.

**Other Incomes**

Other incomes are accounted for on accrual basis except when the recovery is uncertain, it is accounted for on receipt basis.

**f Earnings per Share:**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

**g Provisions and Contingencies:**

A provision is recognized when the company has legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate the amount of the obligation. A contingent liability is disclosed when the company has possible or present obligation where it is not certain that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.



## INVESTMENTS:

Name of the Company	No. of Shares				(Rs in Thousand)	
	Face Value (in Inr)	Opening Balance	Addition/ Deduction	Closing Balance	As at 31st Mar, 2025	As at 31st Mar, 2024
e Sustainability and Recycling Private Limited	10	NIL	4,900	4,900	49.00	NIL
<b>TOTAL</b>					<b>49.00</b>	<b>NIL</b>

## ASH AND CASH EQUIVALENTS:

Particulars	(Rs in Thousand)	
	As at 31st Mar, 2025	As at 31st Mar, 2024
Cash on hand	NIL	NIL
Bank Balance in Current Account	643.84	2,116.41
<b>TOTAL</b>	<b>643.84</b>	<b>2,116.41</b>



EQUITY SHARE CAPITAL:

(Rs in Thousand)

Particulars	As at 31st Mar, 2025		As at 31st Mar, 2024	
	No. of Shares		No. of Shares	
Authorised Share Capital				
Equity Shares of 10/- each	2,50,00,000	2,50,000.00	5,00,000	5,000.00
Issued, Subscribed & Paid up				
Equity Shares of 10/- each fully paid up	2,50,000	2,500.00	2,50,000	2,500.00
TOTAL	2,50,000	2,500.00	2,50,000	2,500.00

Reconciliation of the number of Shares outstanding as on 31st March, 2025:

Particulars	No. of Shares outstanding	
	As at 31st Mar, 2025	As at 31st Mar, 2024
Equity Shares at the beginning of the year	2,50,000	2,50,000
Equity Shares issued during the year	NIL	NIL
Equity Shares at the end of the year	2,50,000	2,50,000

Details of shareholders holding more than 5% shares:

Name of the Shareholders	As at 31st Mar, 2025		As at 31st Mar, 2024	
	No. of Shares	% held	No. of Shares	% held
Aarti Industries Limited	2,50,000	100	2,50,000	100

The details of Equity Shares outstanding during last 5 years:

Particulars	Financial Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
No. of Equity Shares outstanding	2,50,000	2,50,000	2,50,000	2,50,000	2,50,000



**AARTI CIRCULARITY LIMITED (formerly known as Aarti Spechem Ltd)****Year 2024-25****4 OTHER EQUITY:**

(Rs in Thousand)

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>Profit and Loss Account</b>		
Opening balance	(409.59)	(358.91)
<b>Addition:</b>		
Net Profit/(Loss) for the year	(2,420.07)	(50.68)
<b>Closing Balance</b>	<b>(2,829.66)</b>	<b>(409.59)</b>

Particulars	As at 31st March, 2025	As at 31st March, 2024
<b>5 OTHER CURRENT LIABILITIES:</b>		
Loans & Advances from Parent Company	1,000.00	NIL
Other Current Liabilities & Provisions	22.50	20.00
<b>TOTAL</b>	<b>22.50</b>	<b>20.00</b>



(Rs in Thousand)

Particulars	For the Year Ended 31st Mar, 2025	For the Year Ended 31st Mar, 2024
<b>6 OTHER EXPENSES:</b>		
<b><u>Office Administrative Expenses:</u></b>		
Rates & Taxes	2,342.67	1.02
Misc. Expenses/Charges	7.40	6.66
Legal & Professional Charges	39.50	16.00
Auditor Remuneration	30.50	27.00
<b>Total</b>	<b>2,420.07</b>	<b>50.68</b>
<b>AUDITOR'S REMUNERATION:</b>		
Audit Fees	20.00	20.00
Other Fees	10.50	7.00
<b>TOTAL</b>	<b>30.50</b>	<b>27.00</b>



## EARNINGS PER SHARE

(Rs in Thousand)

Particulars	For the Year Ended 31st March, 2025	For the Year Ended 31st March, 2024
Profit after tax as per statement of profit and loss	(2,420.07)	(50.68)
Weighted average number of equity shares for basic EPS (in No.)	2,50,000	2,50,000
Weighted average number of equity shares for diluted EPS (in No.)	2,50,000	2,50,000
Face value of equity shares (in Rs.)	10	10
Earnings per share Basic (in Rs.)	(9.68)	(0.20)
Earnings per share Diluted (in Rs.)	(9.68)	(0.20)

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

In the opinion of the Board, except as otherwise stated, the Current Assets and Loans and Advances have a value on realization at least equal to amounts at which they are stated in the Balance Sheet.



**10 RELATED PARTIES DISCLOSURES**

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

**I Name of the Company**

1 Aarti Industries Limited

**Relationship**

Holding Company

**II Following are the individuals who with their relatives own Directly/indirectly 20% or more voting power in the Company or have significant influence or are Key Management Personnel**

1 Chetan Bipin Gandhi

Director

2 Ajay Kumar Gupta

Director

3 Shyam Shankarrao Dhekekar

Director

The following transactions were carried out during the year with the related parties in the ordinary course of business.

**(A) Details relating to parties referred to in item I above.**

(Rs in Thousand)

Sr. No.	Description of Transaction	F.Y. 2024-25	F.Y. 2023-24
1	Sales of Finished Goods/Sales Income	NIL	NIL
2	Purchases of Raw Materials/Finished Goods	NIL	NIL
3	Reimb of Expenses	2,325.02	
4	Equity Contribution	NIL	NIL
5	Outstanding items pertaining to the related parties at the balance-sheet date Receivable/(Payable)	(1,000.00)	NIL



## 11 ADDITIONAL DISCLOSURES:

(Rs in Thousand)

## I Trade Receivables

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31st March 2025						
Undisputed Trade Receivables - considered good	NIL	NIL	NIL	NIL	NIL	NIL
Undisputed Trade Receivables - which have significant increase in credit risk	NIL	NIL	NIL	NIL	NIL	NIL
Undisputed Trade receivable - credit impaired	NIL	NIL	NIL	NIL	NIL	NIL
Disputed Trade receivables - considered good	NIL	NIL	NIL	NIL	NIL	NIL
Disputed Trade receivables - which have significant increase in credit risk	NIL	NIL	NIL	NIL	NIL	NIL
Disputed Trade receivables - credit impaired	NIL	NIL	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## II Trade Payables

(Rs in Thousand)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	NIL	NIL	NIL	NIL	NIL
Total outstanding dues of creditors other than micro enterprises and small enterprises	NIL	NIL	NIL	NIL	NIL
Disputed dues of micro enterprises and small enterprises	NIL	NIL	NIL	NIL	NIL
Disputed dues of creditors other than micro enterprises and small enterprises	NIL	NIL	NIL	NIL	NIL
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## III Details of shares held by promoters

Promoter Name	No. of shares at the end of the year 31st March, 2025	% of Total Shares	% change during the year
1) Aarti Industries Limited	2,49,994	99.9976%	0.00%
2) Chandrakant Gogri (as nominee of AIL)	1	0.0004%	0.00%
3) Rajendra Gogri (as nominee of AIL)	1	0.0004%	0.00%
4) Rashesh Gogri (as nominee of AIL)	1	0.0004%	0.00%
5) Hetal Gogri Gala (as nominee of AIL)	1	0.0004%	0.00%
6) Renil Gogri (as nominee of AIL)	1	0.0004%	0.00%
7) Mirik Gogri (as nominee of AIL)	1	0.0004%	0.00%
<b>TOTAL</b>	<b>2,50,000</b>	<b>100.0000%</b>	<b>0.00%</b>

## IV Other Statutory Information:

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami Property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

V Ratio	Numerator	Denominator	31-Mar-25	31-Mar-24	% Variance	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.63	81.40	-99.23%	Decr in Assets & Incr in Liab
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0	0	0.00%	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0	0	0.00%	
Return on Equity Ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	-274.89%	-2.40%	11375.90%	PAT decreases
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0	0	0.00%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	0	0	0.00%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	0	0	0.00%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	0	0	0.00%	
Net Profit Ratio	Net Profit	Net sales = Total sales - sales return	0	0	0.00%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	734.12%	-2.42%	-30380.21%	EBIT decrease
Return on Investment	Interest (Finance Income)	Investment	0	0	0.00%	

