

Independent Auditor's Report

To

The Members of AUTO RECYCLING SYSTEMS LIMITED
(formerly known as AUTO RECYCLING SYSTEMS PRIVATE LIMITED)
14/A34, Ground Floor, Channa Market,
WEA, Karol Bagh, New Delhi – 110005

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of M/s AUTO RECYCLING SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, the 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, of the state of affairs of the Company as at March 31, 2026, its profit/loss, and its cash flows for the year then ended.

Basis for Opinion

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

Other Matter

The financial statements of the Company for the year ended March 31, 2025, were audited by the predecessor auditor, M/s Ashok Jha & Co., Chartered Accountants (Firm Registration No. 036917N), who, vide their report dated September 12, 2025, expressed an unmodified opinion on those financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.

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

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

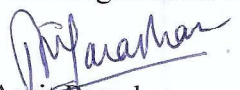
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "Annexure A" 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 and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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 (as amended), 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 litigation which would impact its financial position, except those disclosed under contingent liabilities in notes to account of financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.



- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds 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(s) or entity(ies), including foreign entities ("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, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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 such audit procedures performed that we 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 (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 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.
3. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For M Parashar & Co.
Chartered Accountants
Firm Registration No. 110954C


Amit Parashar
Partner

Membership No. 430317
Place: Mumbai
Date: 19.08.2026



UDIN: 26430317 PZ TJ PF 7240

Annexure A to the Independent Auditor's Report

Annexure referred to in paragraph 1 under the 'Report on Other Legal and Regulatory Requirements' of our report to the members of M/s AUTO RECYCLING SYSTEMS LIMITED ("the Company") for the year ended March 31, 2026.

We report that:

i.

- (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
(B) According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any intangible assets and, accordingly, reporting under this clause is not applicable.
- (b) The Company has a regular programme of physical verification of its fixed assets, which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable property disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year. Consequently, the sub clause is not applicable to the Company.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and Rules made thereunder.

ii.

- (a) The physical verification of inventory has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on physical verification of inventory by the management.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year. The quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii.

- (a) During the year, the Company has granted loans or advances in the nature of loans to a party covered in the register maintained under Section 189 of the Act (details as below). The Company has not made any investments in, or provided any guarantee or security to,



any party during the year.

Particulars	Sarthak International Limited*
Aggregate amount granted / advanced during the year	₹ Nil (balance carried forward from earlier year)
Balance outstanding as at 31 March 2026	₹10.00 Lakhs
Balance outstanding as at 31 March 2025	₹10.00 Lakhs

*Enterprise over which Key Management Personnel of the Company are able to exercise significant influence, and accordingly a related party under Section 2(76) of the Act.

Save as aforesaid, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

- (b) In our opinion, the investments made, and the terms and conditions of the grant of the aforesaid loan, are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loan, the same is repayable on demand. Accordingly, the question of stipulation of a schedule of repayment of principal and payment of interest does not arise. Consequently, reporting under this sub-clause is not applicable.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at balance sheet date.
- (e) According to the information and explanations given to us and based on the audit procedures performed, the aforesaid loan granted has not fallen due during the year and, accordingly, no loan has been renewed or extended, and no fresh loan has been granted to settle the overdues of the aforesaid party.
- (f) The Company has granted a loan in the nature of a loan, repayable on demand, to a party covered in the register maintained under Section 189 of the Act, particulars whereof are as under:

Particulars	All Parties
Aggregate amount of loans/advances in the nature of loans – Repayable on demand (A)	₹10.00 Lakhs
Aggregate amount of loans/advances in the nature of loans – Agreement does not specify any terms or period of repayment (B)	—
Total (A + B)	₹10.00 Lakhs
Percentage of the aggregate to the total loans and advances in the nature of loans granted	100%

The Company has not granted any loans or advances in the nature of loans to Promoters, Directors or Key Management Personnel of the Company.



iv.

In respect of the loan granted by the Company to Sarthak International Limited (a body corporate), as referred to in paragraph 3(iii) above, according to the information and explanations given to us, the provisions of Section 186 of the Act have been complied with. The Company has not granted any loans, made any investments, or provided any guarantee or security to any director or to any other person or entity covered under Section 185 of the Act, and accordingly, reporting under Section 185 does not arise.

v.

The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder, to the extent notified.

vi.

We have broadly reviewed the cost records maintained pursuant to the Companies (Cost Records and Audit) Rules, 2014 under Section 148(1) of the Companies Act, 2013. While prima facie the records appear to be maintained, a detailed examination was not conducted to assess their accuracy or completeness.

vii.

- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax (GST), Income Tax, Tax Deducted at Source (TDS), cess and other material statutory dues, as applicable, with the appropriate authorities, **except in respect of Provident Fund and Employees' State Insurance, particulars whereof are as under:**

Nature of Dues	Period	Amount Outstanding for More Than Six Months (₹)
Provident Fund	April 2023 – August 2025	1,17,387
Employees' State Insurance	April 2023 – August 2025	30,050

- (b) According to the information and explanations given to us and the records of the Company examined by us, statutory dues relating to Goods and Services Tax which have not been deposited on account of a dispute pending as at 31 March 2026 are as under:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the Amount Relates	Forum where the Dispute is Pending
Central Goods and Services Tax Act, 2017 / State Goods and Services Tax Act, 2017	GST demand pursuant to Order for Determination of Tax	927.06	FY 2024-25	Appellate Authority under the GST Act



viii.

According to the information and explanations given to us and the records of the Company examined by us, there are no transactions recorded in the books of account 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 and the records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared a Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, and on an overall examination of the records of the Company, the term loans and vehicle loans availed by the Company were applied by the Company for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis for utilisation on long-term basis.
- (e) The Company does not have any subsidiary, associate or joint venture during the year and hence reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary, associate or joint venture during the year and hence reporting under clause 3(ix)(f) of the Order is not applicable.

x.

- (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi.

- (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014, was not required to be filed with the Central Government. Accordingly, the reporting



under clause 3(xi)(b) of the Order is not applicable to the Company.

- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii.

As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii.

The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard 18 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.

xiv.

- (a) & (b) In our opinion and according to the information and explanations given to us, the Company is not required to have an internal audit system as per Section 138 of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xiv)(a) and (b) of the Order is not applicable to the Company.

xv.

The Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act 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. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.



xvii.

The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii.

There has been a resignation of the predecessor statutory auditors, M/s Ashok Jha & Co., Chartered Accountants, and a casual vacancy so arising was filled by the Board of Directors, subsequently ratified by the members of the Company at an Extraordinary General Meeting held on 20 April 2026, in accordance with Section 139(8) of the Act. No issues, objections or concerns were raised by the outgoing auditors in connection with such resignation.

xix.

According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that the Company is not capable of meeting its liabilities existing at the date of the 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.

(a) In our opinion, Section 135 of the Act is applicable to the Company for the year ended 31 March 2026. As represented to us, the Company was required to spend ₹5.53 Lakhs towards CSR to other than ongoing projects during the year, which remained unspent as at the balance sheet date and, together with ₹0.77 Lakhs brought forward from FY 2024-25, aggregated to ₹6.30 Lakhs. Both the FY 2025-26 amount and the FY2024-25 shortfall were subsequently spent in August 2026, within the time prescribed for the FY2025-26 amount.

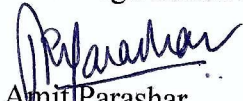
(b) The provisions of clause 3(xx)(b) of the Order, insofar as they relate to transfer of unspent CSR amounts pertaining to an ongoing project to a special account in compliance with sub-section (6) of Section 135 of the Act, are not applicable to the Company, since the CSR obligation of the Company for the year does not pertain to an ongoing project.



xxi.

The reporting under clause 3(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 M Parashar & Co.
Chartered Accountants
Firm Registration No. 110954C



Amit Parashar

Membership No. 430317

Place: Mumbai

Date: 19.08.2026

UDIN:

26430317PZTJPF7240



Annexure B to the Independent Auditor's Report

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 with reference to financial statements of M/s AUTO RECYCLING SYSTEMS LIMITED ("the Company") as of March 31, 2026 in conjunction with our audit of the 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 ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 were 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 authorisation 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.

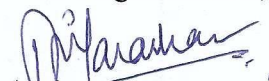
Inherent Limitations of Internal Financial Controls over Financial Reporting

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 controls 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, to the best of our information and according to the explanations given to us, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, 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 M Parashar & Co.
Chartered Accountants
Firm Registration No. 110954C


Amit Parashar

Membership No. 430317

Place: Mumbai

Date: 19.08.2026

UDIN: 26430317PZTJPF7240



Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
CIN : U27200DL2020PLC374942
STATEMENT OF ASSETS AND LIABILITIES
All amounts are ₹ in Lakhs unless otherwise stated

Particulars	Note	Note-1	
		As at March 31, 2026	As at March 31, 2025
Equity and liabilities			
Shareholders' Funds			
(a) Share capital	5	800.00	800.00
(b) Reserves and Surplus	6	1,807.90	692.79
Total Shareholders' Funds		2,607.90	1,492.79
Non-current liabilities			
(a) Long-term borrowings	7	742.91	544.14
(b) Long-term provisions	8	5.71	-
(c) Deferred Tax Liabilities (Net)	9	31.62	9.95
Total non-current liabilities		780.24	554.09
Current liabilities			
(a) Short-term borrowings	10	3,499.07	1,889.73
(b) Trade payables	11		
- Total outstanding dues to micro and small enterprises		327.68	-
- Total outstanding dues of creditors other than micro and small enterprises		533.28	313.66
(c) Other current liabilities	12	170.28	490.00
(d) Short term Provisions	13	247.67	107.28
Total current liabilities		4,777.98	2,800.67
Total Shareholders Fund and Liabilities		8,166.11	4,847.55
Assets			
Non-current assets			
(a) Property, plant and equipment and Intangible Asset	14	1,415.12	1,213.09
-Property, plant and equipment	15	29.76	28.79
(b) Long Term Loan and Advances			
Total non-current assets		1,444.88	1,241.88
Current assets			
(a) Inventories	16	3,375.79	1,612.32
(b) Trade receivables	17	2,889.53	1,370.54
(c) Cash and Bank Balance	18	48.14	133.56
(d) Short Term Loan and Advances	19	407.65	485.24
(e) Other Current assets	20	0.13	4.01
Total current assets		6,721.23	3,605.67
To		8,166.11	4,847.55

The above statement should be read with the Statement of Notes to the Financial Information in Notes 4 to 36

As per our report of even date attached

For M Parashar & Co.
Chartered Accountants
Firm Reg. No.: 110954C

Amit Parashar
Partner
M No. 430317
Place: Mumbai
Date: 19-08-2026



For and on behalf of Board of Directors of
Auto Recycling Systems Limited

SARTHAK MALHOTRA
Director
DIN : 03558441

SANJEEV MALHOTRA
Director
DIN : 00525447



MEENAKSHI GUPTA
Chief Financial Officer

Place: New Delhi
Date: 19-08-2026

JYOTI BALA SONI
Company Secretary
M No. : 68484

Place: New Delhi
Date: 19-08-2026

Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
CIN : U27200DL2020PLC374942
STATEMENT OF PROFIT AND LOSS AS
All amounts are ₹ in Lakhs unless otherwise stated

Particulars		Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I	Revenue from operations	21	25,667.19	14,421.53
II	Other income	22	87.94	78.60
III	Total income (I + II)		25,755.13	14,500.13
IV	Expenses			
(a)	Cost of Goods Consumed	23	23,783.02	13,583.59
(b)	Changes in inventories of Stock in Trade	24	(675.90)	(570.22)
(c)	Employee benefit expense	25	149.70	124.42
(d)	Finance costs	26	269.71	161.29
(e)	Depreciation and amortisation expense	27	46.54	86.61
(f)	Other expenses	28	786.15	399.27
	Total expenses (IV)		24,359.23	13,784.95
	Profit before Exceptional and Extraordinary Items and Tax		1,395.90	715.17
	Exceptional Items		-	-
	Profit before Extraordinary Items and Tax		1,395.90	715.17
	Extraordinary Items		-	-
	Profit After Prior Period Adjustment			
V	Profit before tax (III - IV)		1,395.90	715.17
VI	Tax expense			
(1)	Current tax	29	241.10	107.28
(2)	Tax for earlier year		16.95	
(3)	Deferred tax expense/ (credit)	29	9.28	6.66
	Total tax expense (VI)		267.32	113.94
VII	Profit for the year (V - VI)		1,128.58	601.23
VIII	Basic/Diluted Earnings per equity share	30		
(1)	Basic (₹)		14.11	7.52
(2)	Diluted (₹)		14.11	7.52

The above statement should be read with the Statement of Notes to the Financial Information in Notes 4 to 36

As per our report of even date attached

For M Parashar & Co.
Chartered Accountants
Firm Reg. No.: 110954C

Ankit Parashar
Partner
M No. 430317
Place: Mumbai
Date : 19-08-2026



For and on behalf of Board of Directors of
Auto Recycling Systems Limited

Sarthak
SARTHAK MALHOTRA
Director
DIN : 03558441

MEENAKSHI GUPTA
Chief Financial Officer

Place: New Delhi
Date : 19-08-2026

Sanjeev
SANJEEV MALHOTRA
Director
DIN : 00525447

JYOTI BALA SONI
Company Secretary
M No. : 08484

Place: New Delhi
Date : 19-08-2026



Note-3

Particulars	For the year ended March 31, 2026	For year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	1,395.90	715.17
Adjustments for:		
Finance costs	269.71	161.29
Rental Income	(80.00)	(66.00)
Interest income	(5.52)	(5.41)
Depreciation and amortisation expenses	46.54	86.61
Periodic Adjustment (Income)/Expenses	(1.08)	-
Operating profit before working capital changes	1,625.56	891.65
Adjustments for:		
(Increase)/decrease in operating assets		
Trade receivables	(1,518.99)	(1,071.45)
Inventories	(1,763.46)	(21.41)
Long Term Loan and Advances	(0.96)	(7.50)
Short Term Loan and Advances	77.60	(114.37)
Other Current Assets	3.87	8.30
Increase/(decrease) in operating liabilities		
Trade payables	547.30	219.98
Provisions (Long Term & Short Term)	146.10	86.87
Other current liabilities	(319.72)	424.99
Changes in Working Capital	(2,828.26)	(474.60)
Cash generated from operations	(1,202.71)	417.05
Income tax paid	(258.05)	(107.28)
Net cash generated by operating activities	(1,460.75)	309.78
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	(248.58)	(163.35)
Interest Income	5.52	5.41
Rental Income	80.00	66.00
Net cash used in investing activities	(163.06)	(91.94)
Cash flows from financing activities		
Increase/Decrease in short term Borrowings(net)	1,751.85	(287.15)
Increase/Decrease in Long Term Borrowings(net)	198.77	213.07
Interest Paid	(269.71)	(161.29)
Net cash (used in) / generated by financing activities	1,680.90	(235.37)
Net increase/ (decrease) in cash and cash equivalents	57.09	(17.53)
Cash and cash equivalents at the beginning of the year	133.56	151.09
Cash and cash equivalents at the end of the year	190.65	133.56

Reconciliation of cash and cash equivalents with the Balance Sheet:

Particulars	As at March 31, 2026	As at March 31, 2025
a. Cash and cash equivalents		
Cash In Hand	3.46	18.70
Balances With Banks In Current Accounts	142.52	0.01
b. Bank balances other than cash and cash equivalents		
Term deposits with banks (with original maturity of more than three months but less than twelve months)	44.67	114.85
Total	190.65	133.56

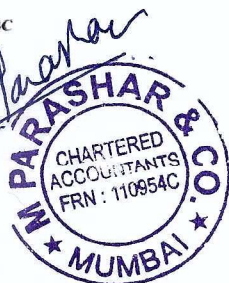
Note:

The above cash flow statement has been prepared under Indirect Method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013.

The above statement should be read with the Statement of Notes to the Financial Information in Notes 4 to 36

For M Parashar & Co.
Chartered Accountants
Firm Reg. No.: 110954C

Amit Parashar
Partner
Place: Mumbai
Date: 19-08-2026



For and on behalf of the Board of Directors of
Auto Recycling Systems Limited

Sarthak Malhotra
SARTHAK MALHOTRA
Director
DIN : 03558441

Sanjeev Malhotra
SANJEEV MALHOTRA
Director
DIN : 00525447



MEENAKSHI GUPTA
Chief Financial Officer

JYOTI BALA SONI
Company Secretary
M No. : 68484

Place: New Delhi
Date: 19-08-2026

Place: New Delhi
Date: 19-08-2026

Note 4 – Significant Accounting Policies

a) Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India ("Indian GAAP") on an accrual basis and under the historical cost convention. The financial statements comply, in all material respects, with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Act, and are presented in accordance with Division I of Schedule III to the Act.

b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from these estimates. Key areas involving critical estimates for the current year include the valuation of inventories, useful life of Property, Plant and Equipment, actuarial assumptions for employee benefit obligations, and the estimation of liabilities in respect of Provident Fund and Employees' State Insurance contributions relating to prior periods.

c) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price, taxes, duties, freight and other directly attributable costs of bringing the asset to its working condition for its intended use.

d) Depreciation

Depreciation on Property, Plant and Equipment is provided on the Straight Line Method ("SLM"), over the useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013. Depreciation on additions during the year is provided on a pro-rata basis from the date the asset is put to use.

e) Intangible Assets

The Company does not have any intangible assets.

f) Inventories

Inventories, comprising Raw Material (scrap) and Finished Goods (processed/manufactured alloy metal products), are valued at the lower of cost and net realisable value. Cost is determined on a First-In-First-Out ("FIFO") basis and includes all costs of purchase, costs of conversion (including power, fuel, and processing/job-work charges directly attributable to the smelting and alloying process), and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

g) Revenue Recognition

Revenue from the sale of manufactured products, is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be reliably measured, and it is reasonably certain that the economic benefits will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts, rebates, and Goods and Services Tax.

h) Cost of Goods Consumed

Cost of goods consumed comprises the cost of raw materials/scrap purchased, including import expenses, freight, and cartage inward, and other directly attributable procurement costs, valued on a FIFO basis, and is recognised on consumption, net of closing stock valued as per the inventory policy above.

i) Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they are incurred, in accordance with AS 16, "Borrowing Costs."



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j) Employee Benefits

Defined contribution plans — the Company's contributions to Provident Fund and Employees' State Insurance are recognised as an expense in the Statement of Profit and Loss on an accrual basis, in the period in which the related employee services are rendered, in accordance with AS 15, "Employee Benefits."

Defined benefit plans — the Company operates a gratuity plan, and the liability is determined on the basis of an actuarial valuation carried out using the Projected Unit Credit Method, in accordance with AS 15. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they arise.

k) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currency, if any, are translated at the closing exchange rate as at the balance sheet date, and the resulting exchange differences are recognised in the Statement of Profit and Loss.

l) Operating Leases

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease payments under operating leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

m) Provisions and Contingent Liabilities

A provision for losses arising from claims, litigation, assessment, fines, penalties, etc., is recognised when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow of resources is remote, no disclosure or provision is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

n) Earnings Per Share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year, in accordance with AS 20, "Earning per Share." Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year, except where the results would be anti-dilutive.

o) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. An impairment loss is recognised in the Statement of Profit and Loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation, had no impairment loss been recognised.

p) Segment Reporting

For management purposes, the Company is organised into, and evaluated as, one reportable business segment. The Company's operations are confined to a single geographical segment, being India.



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q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances on hand, cash balances with banks, and highly liquid investments with a maturity period of three months or less from the date of investment.

r) Related Party Transactions

Related parties are identified in accordance with AS 18, "Related Party Disclosures," and Section 2(76) of the Companies Act, 2013. Transactions with related parties are disclosed regardless of whether a price is charged, and are conducted, as represented by management, on terms equivalent to those prevailing in arm's-length transactions.



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

5 Equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised capital Equity Shares of ₹ 10/- each	8,000,000	800.00	8,000,000	800.00
	8,000,000	800.00	8,000,000	800.00
Issued, subscribed and fully paid up Equity Shares of ₹ 10/- each	8,000,000	800.00	8,000,000	800.00
	8,000,000	800.00	8,000,000	800.00

5.1 Rights, preference and restriction attached to equity shares

1. Terms/Rights attached to Equity Shares: The company has only one class of Equity Shares having a par value of 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity share will be entitled to receive remaining Assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Share holders.
- 2) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- 3) Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

5.2 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the relevant year	8,000,000	800.00	8,000,000	800.00
Add: Issued during the year	-	-	-	-
At the end of the year	8,000,000	800.00	8,000,000	800.00

Note: There are no shares held by holding/ ultimate holding company and / or their subsidiaries / Associates.

5.3 Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Mr. Sanjeev Malhotra	7,623,100	95.29%	7,623,100	95.29%
Total	7,623,100	95.29%	7,623,100	95.29%

5.4 Details of Change in % holding of the Promoters

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	Number of shares held	% of total shares	% Change during the year	Number of shares held	% of total shares	% Change during the year
Mr. Sanjeev Malhotra	7,623,100	95.29%	0.00%	7,623,100	95.29%	0.00%
Mrs. Ranjana Malhotra	450	0.01%	0.00%	450	0.01%	0.00%
Mr. Sarthak Malhotra	376,450	4.71%	0.00%	376,450	4.71%	0.00%

5.5 Aggregate number of bonus share issued and share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:
There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

6 Reserves and Surplus

Particulars	As at March 31, 2026	As at March 31, 2025
Retained earnings	1,807.90	692.79
Total	1,807.90	692.79

6.1 Retained earnings

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at beginning of the year	692.79	91.56
Profit/(Loss) for the year	1,128.58	601.23
Add/Less: Other Adjustment	(13.48)	-
Balance at end of the year	1,807.90	692.79

Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings is a free reserve available to the Company.

7 Long-terms borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured Loan From Banks		
Term Loan		
Term Loan From Kotak Mahindra Bank	138.16	-
Term Loan From ICICI Bank	-	136.80
Vehicle Loan		
Car Loan From Bank of India	10.02	13.05
Vehicle Loan From ICICI Bank	15.05	16.88
Vehicle Loan from BMW	95.86	-
Total Secured Loan	259.09	166.73
Less:-Current Maturities of Long Term Borrowing	38.99	151.69
Net Secured Loan	220.09	15.05
Unsecured Loans		
From Related Party		
Loan From Prerna Malhotra	15.00	15.00
Loan From Ranjana Malhotra	249.01	255.01
Loan From Sanjeev Malhotra	68.76	68.76
Loan From Sarthak Malhotra	190.04	190.32
Total	742.91	544.14

The Company's term loans and vehicle loans from banks are secured against current assets, movable fixed assets and immovable properties (residential and industrial) of the Company.



Sarthak



Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

8 Long-terms provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits - Gratuity	5.71	-
	5.71	-

9 Deferred tax asset/liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
WDV As Per Companies Act 2013	1,415.12	1,213.09
WDV As Per Income Tax Act	1,236.82	1,159.84
Difference in WDV	178.31	53.24
Gratuity Provision	5.98	-
Adjustment on account of Section 28 to 44 DA Income tax Act, 1961		
Total Timing Difference	184.29	53.24
Tax Rate as per Income Tax (DTA) / DTL	17.16% 31.62	26.00% 13.84
Deferred Tax Assets & Liabilities Summary		
Opening Balance of (DTA)/ DTL	9.95	3.29
Add: Prior Period Adjustment in Deffered Tax	12.40	
Add: Provision for the Year	9.28	6.66
Closing Balance of (DTA)/ DTL	31.62	9.95

Note: In accordance with Accounting Standard 22, Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India, the Deferred Tax Liabilities (Net of Assets) is provided in the books of account.



Signature



Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

10 Short-term borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Cash Credit From ICICI Bank	(142.51)	1,346.62
Bank Overdraft	3,641.58	-
Loan Buyer Credit	-	543.11
Total	3,499.07	1,889.73

Note: The Company's term loans and vehicle loans from banks are secured against current assets, movable fixed assets and immovable properties (residential and industrial) of the Company.

11 Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Total outstanding dues of micro and small enterprises	327.68	-
(b) Total outstanding dues of creditors other than micro and small enterprises	533.28	313.66
Total	860.96	313.66

Note: No MSME/Non-MSME status details were available for creditors for FY 2024-25, hence, the bifurcation for that year could not be reported. The requisite details for FY 2025-26 were available and accordingly considered.

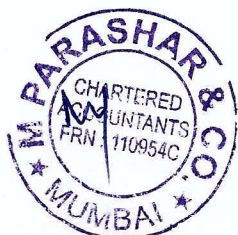
11.1 Ageing schedule of trade payables

As on March 31, 2026

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues						
- MSME	-	327.41	0.27	-	-	327.68
- Others	-	516.98	16.31	-	-	533.28
Disputed dues						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	-	844.39	16.57	-	-	860.96

As on March 31, 2025

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues						
- MSME	-	-	-	-	-	-
- Others	-	313.66	-	-	-	313.66
Disputed dues						
- MSME	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	-	313.66	-	-	-	313.66



Drill



Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

11.2 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

The amounts due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	327.68	-
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	7.73	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(c) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(d) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
(e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(g) Further interest remaining due and payable for earlier periods	-	-

12 Other current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current maturity of long term Borrowings	38.99	151.69
Statutory Dues Payable	40.39	38.02
Expenses Payable	2.75	31.02
Employee related payables	31.90	8.80
Advance from Customers	56.25	260.47
Total	170.28	490.00

13 Short term Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits	0.27	-
- Gratuity	6.30	-
- CSR	241.10	107.28
Current Tax	-	-
Total	247.67	107.28



South



Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

14. Property, plant and equipment

Particulars	Land	Buildings	Furniture and Fittings	Electrical Installations	Office Equipments	Computers	Plant and Machinery	Vehicles	Total
Balance as at April 01, 2024	403.12	581.78	6.58	21.22	4.74	30.36	150.29	19.57	1,217.66
Additions	-	73.86	0.04	11.72	0.27	0.45	59.94	17.07	163.35
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	403.12	655.64	6.63	32.94	5.01	30.81	210.23	36.63	1,381.02
Additions	-	66.29	-	-	0.13	5.47	39.24	122.87	234.00
Prior Period Adjustment in Gross Block	-	3.96	0.00	0.03	0.00	(0.00)	(73.95)	0.00	(69.96)
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	403.12	725.89	6.63	32.97	5.14	36.28	175.52	159.50	1,545.06
II. Accumulated depreciation									
Balance as at April 01, 2024	-	52.46	0.63	2.12	0.56	12.87	12.05	0.64	81.32
Depreciation expense for the year	-	54.16	0.57	2.23	0.81	5.64	16.44	6.76	86.61
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	-	106.62	1.20	4.35	1.37	18.51	28.49	7.40	167.93
Depreciation expense for the year	-	21.69	0.63	3.13	0.71	7.10	6.60	6.67	46.54
Prior Period Adjustment in Depreciation	-	(62.72)	0.07	0.39	(0.28)	3.45	(20.93)	(4.51)	(84.54)
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	-	65.59	1.90	7.87	1.80	29.07	14.16	9.55	129.94
III. Net block balance (I-II)									
As on March 31, 2026	403.12	660.30	4.73	25.10	3.34	7.21	161.36	149.95	1,415.12
As on March 31, 2025	403.12	549.03	5.43	28.59	3.64	12.30	181.75	29.24	1,213.09

- (a) There are no impairment losses recognised during the year ended March 31, 2026, March 31, 2025.
- (b) The Company has not revalued its property, plant and equipment as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.
- (c) The Company has maintained a detailed fixed asset register on an asset-wise basis in accordance with the requirements of the Companies Act, 2013. The fixed asset register contains the relevant details of individual assets, including description, location, cost, accumulated depreciation and net carrying value. The Company has also carried out the necessary verification/reconciliation of its fixed assets, and no material discrepancies were noted.
- (d) The prior period adjustments primarily relate to a grant received in an earlier financial year, which has now been adjusted against the gross block of assets, with the corresponding depreciation recalculated accordingly. Further, the Fixed Asset Register (FAR) has been updated, resulting in certain differences that have been reconciled and adjusted against the gross block.



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

15 Long Term Loan and Advances

Particulars	As at March 31, 2026	As at March 31, 2025
Security deposit	29.76	28.79
Total	29.76	28.79

16 Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
At lower of cost or net realisable value		
(a) Raw Material	1,846.86	759.30
(b) Finished Goods	1,528.93	853.03
Total	3,375.79	1,612.33

17 Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
- Outstanding for a period exceeding six months	-	-
- Others	2,889.53	1,370.54
	2,889.53	1,370.54
Less: Allowance for doubtful debts	-	-
Total	2,889.53	1,370.54



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are in Lakhs unless otherwise stated

17.2 Aging of receivables

As on March 31, 2026

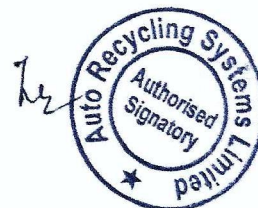
Particulars	Unbilled revenue*	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	217.86	2,574.32	40.76	56.59	-	-	2,889.53
- considered doubtful		-	-	-	-	-	-
Disputed							
- considered good		-	-	-	-	-	-
- considered doubtful		-	-	-	-	-	-
Total	217.86	2,574.32	40.76	56.59	-	-	2,889.53

As on March 31, 2025

Particulars	Unbilled revenue*	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good		1,324.70	1.47	44.37	-	-	1,370.54
- considered doubtful		-	-	-	-	-	-
Disputed							
- considered good		-	-	-	-	-	-
- considered doubtful		-	-	-	-	-	-
Total	-	1,324.70	1.47	44.37	-	-	1,370.54



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

18 Cash and bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
a. Cash and cash equivalents		
Cash In Hand	3.46	18.70
Balances With Banks In Current Accounts	0.01	0.01
b. Bank balances other than cash and cash equivalents		
Term deposits with banks (with original maturity of more than three months but less than twelve months)	44.67	114.85
Total	48.14	133.56

19 Short Term Loan and Advances

Particulars	As at March 31, 2026	As at March 31, 2025
Others		
Advance Paid To Suppliers	291.75	381.39
Advance Others	0.07	-
Advances paid to Employees	4.25	-
Balance with Revenue Authorities	77.90	51.19
Tds/Tcs Receivable	33.67	52.66
Total	407.65	485.24

Note: "Advances to Suppliers" includes advance given to related parties and it have been given in the ordinary course of business towards procurement of goods. These advances are interest-free and are considered good and recoverable in the normal course of business and necessary disclosures have been made in the relevant note on related party transactions.. The balances are subject to confirmation and reconciliation. The related party to whom advance given is detailed below:

1. Auto Recycling Services LLP
2. Sarthak International Limited
3. Sripa & R D Ventures Private Limited

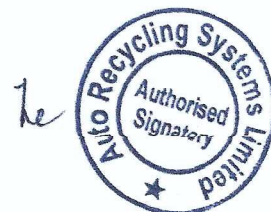
The nature, transaction amount and outstanding balances are disclosed in note no. 33

20 Other Current assets

Particulars	As at March 31, 2026	As at March 31, 2025
Interest Accrued and due	(0.65)	3.68
Prepaid Insurance	0.78	0.33
Balances recoverable from bank	-	-
Total	0.13	4.01



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

21 Revenue from operations

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Sale of Goods	25,667.19	14,421.53
Total	25,667.19	14,421.53

22 Other income

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Interest Income		
Interest on Fixed Deposit	4.92	4.70
Interest On Security Deposit	0.59	0.71
	5.52	5.41
Other gains and losses		
Profit on Foreign Exchange	-	2.22
	-	2.22
Other non-operating income		
Incentive/Grant	-	0.60
Miscellaneous Income	2.42	0.05
Rent Income from related party	80.00	66.00
Earlier Year Tax Adjustment	-	4.32
	82.42	70.97
Total	87.94	78.60

* refer note no. 33 for related party transactions

23 Cost of Goods Consumed

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Opening Stock	759.30	388.81
Purchases	24,286.55	13,402.32
Consumables	480.13	435.66
Import Expenses	103.40	115.77
Freight & cartage Inward	0.51	0.33
	25,629.88	14,342.88
Less: Closing Stock	1,846.86	759.30
Total	23,783.02	13,583.59

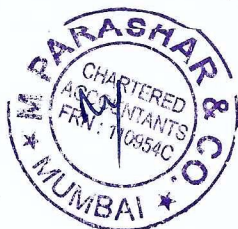
24 Changes in inventories of finished goods/Stock in Trade

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Inventories at the beginning of the year	853.03	282.81
Inventories at the end of the year	1,528.93	853.03
Net (increase)/decrease	(675.90)	(570.22)

25 Employee benefits expense

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Salaries, Wages & Allowances	109.39	93.24
Director Remuneration Exp.	18.00	16.50
Staff Welfare	10.01	14.46
Medical Expenses	0.28	0.22
Compensation	8.50	-
Employer's Contribution to ESI	0.31	-
Employer's Contribution to EPF	0.76	-
Gratuity (Refer note 32)	2.45	-
Total	149.70	124.42

Refer note no. 33 for directors remuneration



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26 Finance cost

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Interest paid to bank	242.78	155.81
Interest on Statutory Liabilities	10.47	0.11
Loan Processing Charges	16.47	5.37
Total	269.71	161.29

27 Depreciation and amortisation expenses

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Depreciation of property, plant and equipment	46.54	86.61
Total	46.54	86.61

28 Other expenses

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Direct Expenses		
Power & Fuel Expenses	227.64	21.20
Contract Wages Expenses	199.52	118.14
Repair And Maintanance	65.87	19.05
Freight and Cartage Outward	106.16	75.52
Forklift Expense	0.02	-
Water Expense	1.86	1.05
Audit Fee	2.75	2.00
Bank Charges	2.62	1.45
CSR Expenses	5.53	-
Rent	1.22	10.02
Loading Unloading Charge	0.86	6.36
Weight Charge	0.14	0.19
Testing Charges	0.97	0.60
Commission	-	76.44
Gates and Taxes	10.53	1.65
Festival Expenses	1.51	4.43
Telephone & Internet Expenses	0.40	0.46
Legal & Professional Charges	95.66	9.51
Loss on Foreign Exchange	39.91	-
ROC/ Annual Filling Fees	0.12	0.13
Printing & Stationery	1.22	1.21
Insurance	1.40	9.14
Vehicle Running & Maintenance Expenses	0.46	1.60
Conveyance Exp.	2.28	3.49
Donation Expenses	0.39	-
Prior Period Expenses		
- Gratuity	3.53	-
- CSR	0.77	-
- Grant/Incentive	76.39	-
- Depreciation	(84.54)	-
- Interest	0.65	-
- Insurance	(8.19)	-
Office Expenses	0.42	0.75
Membership & Subscription fees	7.99	0.89
Security Expenses	10.88	12.41
Travelling Expenses	9.21	21.58
Total	786.15	399.27



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28.1 Auditors remuneration and out-of-pocket expenses (net of GST):	For year ended March 31, 2026	For year ended March 31, 2025
(i) For audit	2.75	2.00
(ii) For taxation matters	-	-
(v) Auditors out-of-pocket expenses	-	-
Total	2.75	2.00

28.2 Expenses on corporate social responsibility

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Amount Required to be spend by the company during the year	5.53	0.77
Spent during the period	-	-
Shortfall at the end of the period	5.53	0.77
Total of previous year shortfall	0.77	-
Total unspent CSR amount	6.30	0.77
Reason for Shortfall	Pending identification of eligible trust/fund	Pending identification of eligible trust/fund
Nature of CSR Activities	Donation to Eligible Trust/Fund for the activities specified under schedule VII of Companies Act, 2013.	Donation to Eligible Trust/Fund for the activities specified under schedule VII of Companies Act, 2013.
Details of related party transactions, e.g. contribution to trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NIL	NIL
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	No	No
Excess amount spent as per Section 135(5)	-	-
Excess carry forward	-	-

Movement of CSR Provision

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Opening Provision for the year	0.77	-
Add: Current year obligation	5.53	0.77
Less: Spent during the year	-	-
Shortfall at the end of the year	6.30	0.77



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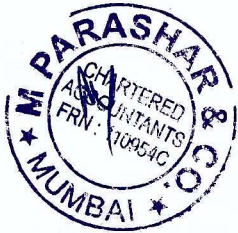
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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

29 Current Tax and Deferred Tax

Income Tax Expense recognised in statement of profit and loss		
Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Current Tax:		
Current income tax charge	241.10	107.28
Short provision of tax relating to earlier years	16.95	-
	258.05	107.28
Deferred Tax expense/ (credit)		
In respect of current period	9.28	6.66
	9.28	6.66
Total tax expense/(credit) recognised in statement of profit and loss	267.32	113.94



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30 Earning per share

The following reflects the profit and share data used in the basic and diluted EPS calculations:

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Profit after Tax (a)	1,128.58	601.23
Present Number of equity shares	8,000,000	8,000,000
Weighted average number of Equity shares (b)	8,000,000	8,000,000
Par value per share (₹)	10	10
Basic earnings per share (a/b)	14.11	7.52
Diluted Earning per Share (a/b)	14.11	7.52

* Retrospective adjustment for Bonus Share in Comparative figures as per AS 20 Earning per share.

31 Segment information

For management purposes, the Company operates in one reportable segment.

The Managing Director is the Chief Operating Decision Maker of the Company who monitors the operating results of the Company for the purpose of making decisions about resource allocation and performance assessment. The Company's performance as single segment is evaluated and measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis

31.1 Geographical information

The Company operates in one geographical environment only i.e. in India.

The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Particulars	Revenue from External Customers	
	For year ended March 31, 2026	For year ended March 31, 2025
Within India	25,667.19	14,421.53
Outside India	-	-
Total	25,667.19	14,421.53

Particulars	Non-current Assets	
	For year ended March 31, 2026	For year ended March 31, 2025
Within India	1,444.88	1,241.88
Outside India	-	-
Total	1,444.88	1,241.88



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

38 Employee benefit plans

(A) Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	Gratuity (Unfunded)	
	As at March 31, 2026	As at March 31, 2025
1 Discount rate - Company	7.39%	7.04%
2 Salary escalation - Company	7.00%	7.00%

(B) Demographic Assumption

Particulars	As at March 31, 2026	As at March 31, 2025
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability	100% of Indian Assured Lives Mortality (2012-14) Ufr	
iii) Attrition at Ages (Withdrawal Rate per Annum)	10	10

(C) Expenses recognised in profit and loss

Particulars	Gratuity (Unfunded)	
	For year ended March 31, 2026	For year ended March 31, 2025
Service cost		
Current service cost		
Net Interest cost	2.53	1.96
Actuarial (gains)/losses on obligation for the year	0.25	0.14
- Due to changes in demographic assumptions		
- Due to changes in financial assumptions		
- Due to experience adjustment	(0.40)	0.05
	0.07	(0.50)
Components of defined benefit cost recognised in profit or loss	2.45	1.65

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Statement of profit and loss.

(D) Net interest cost recognised in profit or loss:

Particulars	Gratuity (Unfunded)	
	For year ended March 31, 2026	For year ended March 31, 2025
Interest cost		
Interest income	0.25	0.14
Net interest cost recognised in profit or loss	0.25	0.14

(E) Amount recognised in the balance sheet

Particulars	As at March 31, 2026	As at March 31, 2025
Present value of defined benefit obligation as at the end of the year	5.98	3.53
Fair value of plan assets	-	-
	5.98	3.53

(F) Net asset/(liability) recognised in the balance sheet

Recognised under:		
	As at March 31, 2026	As at March 31, 2025
Long term provision	5.71	
Short term provision	0.27	
Total	5.98	-

(G) Movements in the present value of defined benefit obligation are as follows:

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Opening defined benefit obligation		
Current service cost	3.53	1.88
Interest cost	2.53	1.96
Actuarial losses / (Gain)	0.25	0.14
Closing defined benefit obligation	(0.33)	(0.45)
	5.98	3.53



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Auto Recycling Systems Limited
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Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

33 Related party disclosures

33.1 Details of related parties

Description of relationship	Name of the related party
Key management personnel - Chairman cum Wholetime Director - Managing Director - Executive Director	Sanjeev Malhotra Sarhak Malhotra Ranjana Malhotra
Relatives of key management personnel (where transactions have taken place)	Prerna Malhotra
Enterprises over which key management personnel is able to exercise significant influence (where transactions have taken place)	Auto Recycling Services LLP Sarhak International Limited Indo Australian Enterprise Pty Ltd Sripa RD Ventures Private Limited

33.2 Transactions during the year with related parties

S. No.	Particulars	As at March 31, 2026	As at March 31, 2025
A	<u>Key management personnel</u>		
I	Sanjeev Malhotra		
	Reimbursement	28.31	1.46
II	Sarthak Malhotra		
	Managerial Remuneration	18.00	16.50
	Unsecured Loan Received	208.12	103.32
	Unsecured Loan Repayment	208.40	24.90
	Reimbursement	4.19	2.62
III	Ranjana Malhotra		
	Unsecured Loan Received	128.00	507.01
	Unsecured Loan Repayment	134.00	310.50
B	<u>Enterprises over which key management personnel is able to exercise</u>		
I	Sarthak International Limited		
	Loan & Advances recoverable	-	10.00
II	Auto Recycling Services LLP		
	Sales of Service (Rent/Storage Charges Received)	-	9.00
	Reimbursement	0.25	6.75
III	Sripa RD Ventures Private Limited		
	Sales of Service (Rent/Storage Charges Received)	90.00	66.00
	Purchase	-	262.65
IV	Indo Australian Enterprise Pty Ltd		
	Purchase	515.69	1,312.30

The transactions with related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. All the related party transactions are reviewed and approved by board of directors.



Sarthak

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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

33.3 Amounts outstanding with related parties

S. No.	Particulars	As at March 31, 2026	As at March 31, 2025
A	<u>Key management personnel</u>		
I	Sanjeev Malhotra Loan Payable	68.76	68.76
II	Sarthak Malhotra Loan Payable	190.04	190.32
III	Ranjana Malhotra Loan Payable	249.01	255.01
IV	Prena Malhotra Loan Payable	15.00	15.00
B	<u>Enterprises over which key management personnel is able to exercise</u>		
I	Sarthak International Limited Loan Recoverable	10.00	10.00
II	Auto Recycling Services LLP Trade Receivable	137.28	118.37
III	Sripa RD Ventures Private Limited Trade Payable Trade Receivable	24.73 320.29	- 199.72
IV	Indo Australian Enterprise Pty Ltd Trade Payable	0.50	25.05



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

34 Additional Notes forming part of Financial Statement

34.1 Contingent Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
I. Contingent Liabilities		
(a) Disputed GST demand (Order for Determination of Tax under the GST Act), not acknowledged as debt	927.06	-
(b) Disputed Income Tax demands, not acknowledged as debt	-	-
(c) Disputed TDS demands, not acknowledged as debt	-	-
Total Contingent Liabilities	927.06	-
II. Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Other capital commitments	-	-

Note: During the year ended March 31, 2026, the Company received an Order for Determination of Tax under the Goods and Services Tax (GST) Act involving a disputed demand of ₹ 927.06 Lakhs related to FY 2024-25. The Company has disputed the demand and filed an appeal before the GST appellate authority. Based on management's assessment, no provision has been recognised in the financial statements, and the disputed demand has been disclosed as a contingent liability.

34.2 Value of imports calculated on C.I.F basis by the company during the financial year in respect of –

Particulars	As at March 31, 2026	As at March 31, 2025
I. Raw materials;	994.09	1,725.83
II. Components and spare parts;	-	-
III. Capital goods;	-	-

34.3 Earnings in Foreign Currency

Particulars	As at March 31, 2026	As at March 31, 2025
Export of goods calculated on F.O.B. basis;	-	-
Royalty, know-how, professional and consultation fees;	-	-
Interest and dividend;	-	-
Other income, Rebate on Contract-Basell	-	-

34.4 Expenditure in foreign currency –

Particulars	As at March 31, 2026	As at March 31, 2025
Communication	-	0.44
Travelling Expenses	6.22	14.56
other matters (Import purchases)	994.09	1,725.83



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

35 Other Statutory Information

- 35.1 The Company has not revalued its Property, Plant and Equipment.
- 35.2 The Company has not granted loans and advances in the nature of loans are granted to promoters, Directors, KMP's and the related parties (as defined under Companies Act, 2013), either Severally or Jointly with any other person.
- 35.3 The Company does not have any Capital work-in-progress.
- 35.4 The Company does not have any Intangible assets under development.
- 35.5 The Company does not own benami properties. Further, there are no proceedings which have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 35.6 There are no bank or financial institution or other lender declared to Company a wilful defaulter.
- 35.7 Relationship with struck-off companies**
The Company does not have any transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 35.8 The Company has not made any delay in Registration of Charges under the Companies Act, 2013.
- 35.9 Compliance with number of layers of companies**
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 35.10 There were no Scheme of Arrangements entered by the Company during each reporting period, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 35.11 Undisclosed Income**
The Company has no such transaction which is not recorded in the books of account 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).
- 35.12 The Company has not traded or invested in Crypto currency or Virtual Currency during each reporting period.
- 35.13 The Company has 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 Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 35.14 Code of Social Security, 2020**
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 35.15 In the opinion of the Board of Directors of the Company, all items of 'Current assets, loans and advances' continue to have a realizable value of at least the amounts at which they are stated in the Balance Sheet, unless otherwise stated.



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35.16 There has been no change in the accounting policies followed by the Company during the period under review. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous financial year/period.

35.17 The Company is neither a Subsidiary nor Holding company of any other Company / Companies.

35.18 All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs or decimals thereof as per the requirement of Schedule III, unless otherwise stated.

35.19 Information pursuant to Division I of Revised Schedule III of the Companies Act, 2014 are given to the extent they are applicable to the Company.

35.20 The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.



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Auto Recycling Systems Limited
(Previously known as Auto Recycling Systems Private Limited)
Notes to the Financial Statements
All amounts are ₹ in Lakhs unless otherwise stated

36 Ratio Analysis and its elements

Where any one or both the components of ratios are extracted from statement of profit and loss, the ratios are provided for the year ended March 31, 2026, and March 31, 2025. However, where both the components of ratio are extracted from the Balance sheet, the ratios are provided for all the periods (i.e., as at March 31, 2026, and March 31, 2025)

a) Current Ratio = Current assets divided by Current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Current assets	6,721.23	3,605.67
Current liabilities	4,777.98	2,800.67
Ratio (In times)	1.41	1.29
% Change from previous year	9.30%	25.24%

Reason for change more than 25%:

Increase in current ratio in FY 2024-25 is primarily attributable to higher growth in current assets, particularly inventories and trade receivables, compared to the increase in current liabilities.

b) Return on Equity Ratio = Net profit after tax divided by average equity

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Net profit after tax	1,128.58	601.23
Average Shareholder's Equity *	2,050.35	1,192.18
Ratio	0.55	0.50
% Change from previous year	9.14%	1365.61%

*Average equity represents the average of opening and closing total equity.

Reason for change more than 25%:

FY 24-25- Further increase in return on equity is driven by substantial rise in profitability, which has outpaced the growth in shareholders' equity.

c) Inventory Turnover Ratio = Sales divided by average inventory

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Sales	25,667.19	14,421.53
Average Inventory	2,494.06	1,601.62
Ratio (In times)	10.29	9.00
% Change from previous year	14.29%	67.64%

Reason for change more than 25%:

FY 24-25 Increase in inventory turnover ratio is primarily increase in sales, resulting in better inventory utilisation compared to the previous

d) Trade Receivables turnover ratio = Credit Sales divided by average trade receivables

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Sales	25,667.19	14,421.53
Average Trade Receivables	2,130.03	834.81
Ratio (In times)	12.05	17.28
% Change from previous year	-30.25%	-50.97%

Reason for change more than 25%:

FY 24-25 & 25-26 Decline in trade receivables turnover ratio is primarily attributable to significant increase in average trade receivables compared to growth in sales, indicating relatively longer collection period.



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e) Trade payables turnover ratio = Credit purchases divided by average trade payables

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Contract Cost	25,648.58	14,351.89
Average Trade Payables	587.31	203.67
Ratio (In times)	43.67	70.47
% Change from previous year	-61.36%	61.20%

Reason for change more than 25%:

FY 2025-26: Sharp decline in trade payables turnover ratio is mainly due to substantial increase in average trade payables compared to contract cost.

FY 2024-25: Further increase in trade payables turnover ratio is driven by higher purchases/contract cost, indicating faster settlement of payables.

f) Net Capital Turnover Ratio = Sales divided by Net Working capital

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Sales (A)	25,667.19	14,421.53
Current Assets (B)	6,721.23	3,605.67
Current Liabilities (C)	4,777.98	2,800.67
Net Working Capital (D = B - C)	1,943.26	805.01
Avg Working Capital	1,374.13	436.65
Ratio (In times) (E = A / D)	18.68	33.03
% Change from previous year	-43.45%	-143.64%

Reason for change more than 25%:

Due to increase in sudden demand, Turnover Increased.

g) Net profit ratio = Net profit before tax divided by Sales

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Net Profit	1,128.58	601.23
Sales	25,667.19	14,421.53
Ratio	4.40%	4.17%
% Change from previous year	5.47%	751.07%



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Reason for change more than 25%:

Due to increase in sudden demand, Turnover Increased and corresponding Prices increased

b) Return on Capital employed (pre -tax) = Earnings before interest and taxes (EBIT) divided by average Capital Employed

Particulars	For year ended March 31, 2026	For year ended March 31, 2025
Profit before tax (A)	1,395.90	715.17
Add : Interest (B)	253.24	155.92
EBIT (C) = (A) + (B)	1,649.14	871.09
Tangible Net Worth	2,607.90	1,492.79
Non-Current Liabilities	780.24	554.09
Average Capital Employed	2,717.51	1,636.40
Ratio (In %)	60.69%	53.23%
% Change from previous year	14.00%	331.09%

Reason for change more than 25%:

Due to increase in sudden demand, Turnover Increased and corresponding Prices increased

i) Debt Equity ratio = Total debts divided by Total Equity

Particulars	As at March 31, 2026	As at March 31, 2025
Total Debts	4,241.97	2,433.87
Shareholder's funds	2,607.90	1,492.79
Ratio (In %)	1.63	1.63
% Change from previous year	-0.23%	-42.04%

j) Debt service coverage ratio= Earnings available for debt services dividend by total interest and principal repayments.

Particulars	As at March 31, 2026	As at March 31, 2025
Profit before tax (A)	1,395.90	715.17
Add: Non cash operating expenses and finance cost		
-Depreciation and amortisation (B)	46.54	86.61
-Finance cost (C)	269.71	161.29
Earnings available for debt services (D = A+B+C)	1,712.15	963.07
Debt service		
Interest (E)	269.71	161.29
Total Interest	269.71	161.29
Ratio (In times) (J = F/ I)	6.35	5.97
% Change from previous year	6.31%	204.75%

k) Return on Investments

Particulars	As at March 31, 2026	As at March 31, 2025
Net Profit	1,128.58	601.23
Investment	-	-
Ratio (In %)	NA	NA
% Change from previous year		NA



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