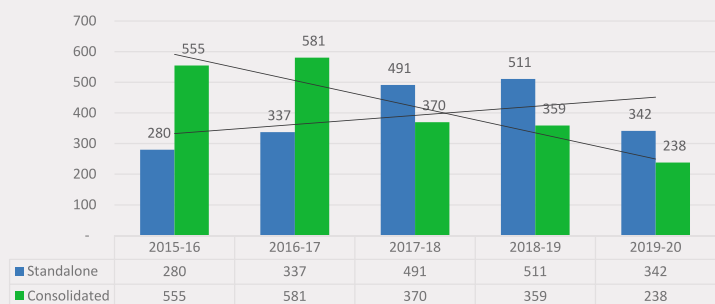


**Innovative**  
Eco-friendly  
Solutions

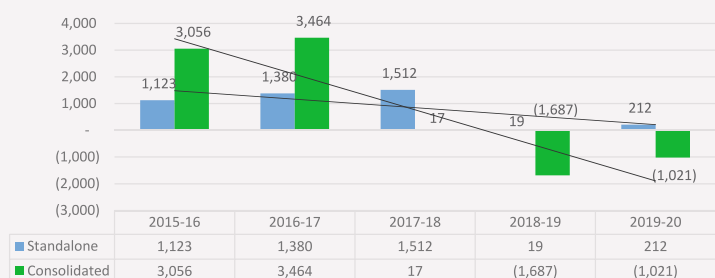
**28<sup>th</sup>**  
**ANNUAL REPORT**  
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## Financial Highlights at a glance

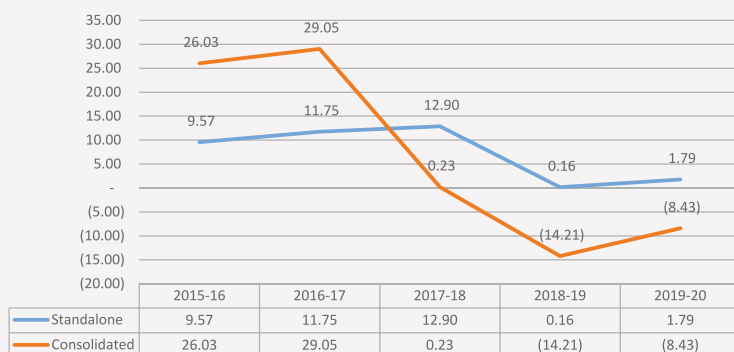
Turnover (Rs. in Millions)



Profit after Tax (Rs. in Lacs)



Earnings Per Share (Rs.)



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## Chairman Message

Dear Stakeholders and Partners,

We continued to be in slow growth phase for the year ended March, 2020, as the world continues to be slowing down. There has not been much changes in the demand growth of our partners, licensees and customers.

However, revenue from our Water Soluble Film and other traded products has shown some light at the end of the tunnel.

On the Finance side, we successfully shored our anticipated finance needs by initiating and completing our rights issue, within a record time. This ensured that we don't have a cash flow issue even while we are investing in our committed projects.

Your company implemented the Arrow RND Centre, what we call as Patent Incubation Centre, investing in Men, Machine and Materials, towards creating import substitutes, proof of concept pilot project workable quantities of patented products. This will now be taken up by our efficient marketing team, to look for avenues for more revenues.

Our subsidiary Avery Pharmaceuticals Private Limited, which is focused on our patented technology of Actives Embedded WSF, as a Novel Drug Delivery System (NDDS), shall start commercial production soon and are well on their way towards maiden revenues. Our Security Plant has successfully started production and we expect this business to bring more revenues, going forward.

We are working to overcome the fire mishap in the factory, as already reported, however the non-affected plant, actually produced and sold more water soluble films during this difficult times, I congratulate the operations and manufacturing teams for accomplishing this onerous feat. Water Soluble Department will now aggressively focus on export markets going forward.

Your company is always focused on Hon. Prime Minister's call on Make In India, and have been actively pursuing various GOI procurement tender bids. We intend to aggressively look at these niche products, which are basically import substitutes, creating bigger opportunities for your Company.

Your company intends interalia to focus on Patent Division more aggressively and fortify our patent division so as to get revenues from out-licensing, compensations from infringements, better revenues from our own patented product.

While we continue to make meaningful investments in people, processes, Research & Development, Intellectual Property and Technology, we will continue to focus newer, greener and Eco-friendly technologies innovated in different geographies globally, bring them to India, for transformation of our future business.

While we continue to ignite our creativity, and endure to deliver value for our shareholders in the long term perspective, we hope and expect a robust turnaround in overall performance of your Company.

Finally, I would like to thank all our employees, Board of Directors, all the shareholders and well wishers for their unstinted support to the Company, who are the pillars and back bone of your company.

Thanking You,

Shilpan P. Patel  
Chairman & Managing Director





**Mr. Shilpan P. Patel, Chairman & Managing Director of Arrow Greentech Ltd.**

Mr. Shilpan P. Patel, aged 64 is the Chairman and Managing Director of the Company holds a Master's degree in Business Administration from Sam Houston State University, Texas, USA. He did his graduation in Commerce from H.L. College of Commerce, Ahmedabad in India. In 1979-80 he gained experience in the coating industry from Grace Paper Industries Pvt. Ltd and worked there for a period of 9 years. In 1990 he developed Water Soluble Film, which is a product of indigenous research and has a very strong bearing on the environment. In 2000, the product (Water Soluble Film) won the India Star Award.

Mr. Patel has filed various patents in USA, Europe, South Africa, Australia and India based on Water Soluble Films, security films and Green Technologies. Appointed on the Board for the first time on October 30, 1992, he is in charge of Business Development and Strategic Management of the Company and creating value for all stake holders and society at large. Mr. Patel has spearheaded the IP cell of Arrow Greentech Ltd. and under his able guidance the company has acquired grants over 39 patents across the globe. He has helped the IP cell generate revenues by entering into partnerships through technology transfer, licensing, know how transfer etc. His love for the environment and passion for innovation has won the company several awards. The recent one being National IP Award 2019 for Top Indian Company (MSME) for Patents & Commercialization



**Mr. Neil Patel** aged 34, is **Jt. Managing Director** of our Company. He has done M. Sc. (Bio Medical Science) from Kingston College, London. He possesses good entrepreneurship skills. He has excellent organizational skills and is inclined to take over the operations of the company. He is associated with the Company since 2009.

He is member of Audit Committee of the Company and Stakeholders Relationship Committee of the Company. He has been appointed to our board for the first time on 1st June 2012 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from the Annual General Meeting held on September 13, 2017.



**Mr. Haresh Mehta**, aged 67 years, is an **Independent Director** of our Company. He is a graduate in Science. He holds a certificate in Packaging Technology and has also attended a long term programme in London. He is also a Director in Jayna Packaging Pvt. Ltd. He is a Chairman of Shareholders /Investor Grievance Committee and a member of the Audit Committee of the company.

He was appointed on our board for the first time on December 01, 1993 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from our last Annual General Meeting held on September 07, 2019.



**Mr. Harish Mishra** aged 69, is an **Independent Director** of our Company. He graduated in Commerce and done M. Com from Jabalpur University in the year 1973. He has vast experience in Advertising and Production. He was associated with ZEE TV.

He is Chairman of Nomination & Remuneration Committee and Audit Committee of the Company.

He has appointed to our board for the first time on 1<sup>st</sup> June 2012 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from the Annual General Meeting held on September 07, 2019.



**Mr. Dinesh Modi**, aged 69 years, is an **Independent Director** of our Company. He is a Company Secretary, and graduated in Commerce and done L.L.B from Bombay University. He has vast experience & knowledge in Finance and Legal & Corporate Sector. Currently he is practicing as a Corporate Law Advisor. He was associated with Reliance ADA Group.

He is also a member of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee of the Company.

He has appointed to our board for the first time on 5th August 2014 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from the Annual General Meeting held on September 07, 2019.



**Prof. Dinkarray D. Trivedi**, aged 88 years is an Independent Director of the Company. He graduated in Arts (Economics Honors) and done M.Com from Gujarat University, Ahmedabad. Currently he is a Management Consultant Focusing on Corporate Planning, Enterprise Transfer and Strategy Formulation. He has vast experience in teaching field and has taught in H. L. College of Commerce in Ahmedabad, Indian Institute of Management, Ahmedabad, Management Development Institute, New Delhi, UTI Institute of Capital Markets, Navi Mumbai, Ahmedabad Management Association, Ahmedabad and Bank of Baroda Regional Training Centre.

He is also a member of Stakeholders Relationship Committee of the Company.

He has been appointed to our board for the first time on 13<sup>th</sup> February 2017 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from the Annual General Meeting held on September 13, 2017.



**Mrs. Jigisha Patel** aged 62 has done Bachelor of Arts (B.A.) from Calcutta. She is having rich knowledge in supervising and coordinating the administration. She is a professional with good experience of Managing Skills and Handling Team. She possesses a diverse and wide ranging experience and knowledge of Corporate Affairs

She has appointed to our board for the first time on 14<sup>th</sup> July 2020 as an Additional Director.


**CORPORATE IDENTIFICATION NUMBER (CIN): L21010MH1992PLC069281**
**BOARD OF DIRECTORS :**

Mr. Shilpan P. Patel	Chairman & Managing Director
Mr. Neil Patel	Jt. Managing Director
Mr. Haresh Mehta	Independent Director
Mr. Harish Mishra	Independent Director
Mr. Dinesh Modi	Independent Director
Mr. Dinkarray Trivedi	Independent Director
Mrs. Jigisha Patel	Additional Woman Director (appointed w.e.f. 14 <sup>th</sup> July 2020)
Ms. Aradhana Singh	Independent Woman Director (ceased to be director w.e.f. 30 <sup>th</sup> June 2020)

**COMPANY SECRETARY :**

Ms. Poonam Bansal

**CHIEF FINANCIAL OFFICER:**

Mr. Hitesh Punglia

**REGISTERED OFFICE :**

1/F, Laxmi Industrial Estate  
New Link Road  
Andheri (West)  
Mumbai – 400 053

**WORKS :**

5310/5311, GIDC,  
ANKLESHWAR - 393 002

**STATUTORY AUDITORS :**

M/s. Haribhakti & Co. LLP  
Chartered Accountants  
Mumbai

**INTERNAL AUDITORS :**

M/s. J.A. Rajani & Co.  
Chartered Accountants  
Mumbai

**SECRETARIAL AUDITORS :**

M/s. Rajendra & Co.  
Company Secretaries  
Mumbai

**REGISTRAR AND SHARE TRANSFER AGENTS :**

Link Intime India Private Limited  
C 101, 247 Park,  
L.B.S.Marg, Vikhroli (West),  
Mumbai - 400083.

**BANKERS :**

Kotak Mahindra Bank  
Bank of Baroda  
HDFC Bank Ltd

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update their email address with the Company or M/s. LINK INTIME PRIVATE INDIA LIMITED (RTA), to enable us to send all the documents through electronic mode



## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of Arrow Greentech Ltd. will be held on, Tuesday the September 29, 2020 at 11.30 AM. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at 1/F Laxmi Industrial Estate, New Link Road, Andheri(West), Mumbai - 400053 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as on March 31, 2020 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Neil Patel, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

3. **Re-appointment of Mr. Shilpan P Patel (DIN: 00341068) as Managing Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof, for the time being in force) and as per the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Company be and is hereby accorded for reappointment of Mr. Shilpan P Patel (DIN: 00341068) as Managing Director of the Company for a further term of 5 (Five) consecutive years commencing from 1<sup>st</sup> April 2020 till 31<sup>st</sup> March 2025 on such terms and conditions detailed in the explanatory statement attached hereto, with the authority to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions, including remuneration, of the said appointment that may be agreed to between the Board of Directors and Shilpan P Patel

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profit in any financial year during the currency of the tenure of Mr. Shilpan P Patel as Managing Director, Company may pay Mr. Shilpan P Patel minimum remuneration by way of salary, perquisites and/or allowance subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule V to the Companies Act 2013, and in compliance in the provisions stipulated therein as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed by the Board of Directors of the Company and acceptable to Mr. Shilpan P Patel

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

4. **Re-appointment of Mr. Neil S Patel (DIN: 00607101) as Joint Managing Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof, for the time being in force) and as per the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Company be and is hereby accorded for reappointment of Mr. Neil Patel, as Joint Managing Director for a further term of 5 (Five) consecutive years commencing from 1<sup>st</sup> April 2020 till 31<sup>st</sup> March 2025 on such terms and conditions detailed in the explanatory statement attached hereto, with the authority to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions, including remuneration, of the said appointment that may be agreed to between the Board of Directors and Mr. Neil Patel.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profit in any financial year during the currency of the tenure of Mr. Neil Patel as Joint Managing Director, Company may pay Mr. Neil Patel minimum remuneration by way of salary, perquisites and/or allowance subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule V to the Companies Act 2013, and in compliance in the provisions stipulated therein as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed by the Board of Directors of the Company and acceptable to Mr. Neil Patel.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”



**5. To appoint Mrs. Jigisha Patel (DIN: 01899528) as a Non Executive Non Independent Woman Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Jigisha Patel (DIN 01899528), who was appointed as an Additional Director of the Company by passing circular resolution on 14<sup>th</sup> July 2020 by the Board of Directors as per Section 161(1) of the Companies Act, 2013 and who holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Non Independent Woman Director of the Company, whose office is liable to retire by rotation.”

**6. To consider and if thought fit, to pass with or without modification, the following as Special Resolution:**

“**RESOLVED THAT** pursuant to Section 188 and other applicable provisions of The Companies Act, 2013 if any, approval of the members be and is hereby accorded for entering into related party transactions by the Company, with effect from 1<sup>st</sup> April, 2020 up to the maximum amounts per annum as appended below:

The below item is in addition to the approval already taken.

The details of said Related Party Transactions are given here in below in a tabular format for kind perusal of the members:

**MAXIMUM VALUE OF CONTRACT / TRANSACTION (PER ANNUM) W.E.F 1ST APRIL, 2020**

(₹ In Crores)

	Transaction defined u/s 188 (1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods or materials;  (a)	Selling or otherwise disposing of, or buying, property of any kind  (b)	Leasing of property of any kind  (c)	Availing or Rendering of any services;  (d)	Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;  (e)
<b>*DIRECTORS/ KMP'S / RELATIVES OF DIRECTORS AND KMPs / OTHER FIRMS AND COMPANIES</b> in which directors have some interest as per the provisions of section 2(76) of the Companies Act, 2013	-	-	-	-	-
Advance Iris Security Products Pvt. Ltd	15	-	-	5	-
Advance Business Solutions	15	-	-	5	-

\*On actual basis, exempted being in the ordinary course of business and on arm's length basis

**RESOLVED FURTHER THAT** to give effect to this Resolution the Board of Directors and / or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto”.

**NOTES:**

- The Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act'), in relation to Special Business is annexed hereto. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
- Due to the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020, 14/2020, 17/2020 and SEBI vide its Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 28<sup>th</sup> AGM of the Company shall be conducted through VC / OAVM. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made



available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM and Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice will also be available on the Company's website at [www.arrowgreentech.com](http://www.arrowgreentech.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on website of the e-voting agency- National Securities Depository Limited at <https://www.evoting.nsdl.com>
7. Since the physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Attendance Slip, Route Map and Proxy Form are not annexed to this Notice.
8. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to Company Secretary of the Company at [poonam@arrowgreentech.com](mailto:poonam@arrowgreentech.com).
9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 26, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of AGM of the Company.
10. During the year amount of Unclaimed Final Dividend for financial year 2012-13 is due for deposit to the Investors Education and Protection Fund on 3rd November, 2020.
11. In case the Dividend has remained unclaimed for the financial years 2012-13 to 2018-19 (Interim and/or Final) the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.
12. Members whose shareholding is in the electronic mode are requested to intimate any change in their address to their respective Depository Participants.
13. Members seeking any information with regard to the accounts or any document to be placed at the AGM, are requested to write to the Company on or before Friday, September, 25, 2020 through email on [poonam@arrowgreentech.com](mailto:poonam@arrowgreentech.com). The same will be replied / made available by the Company suitably.

#### **14. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS.**

##### **A. VOTING THROUGH ELECTRONIC MEANS**

- i.) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii.) The remote e-voting period commences on Saturday, September 26, 2020 (9:00 a.m. IST) and ends on Monday, September 28, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, September 22, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- iii.) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday, September 22, 2020.
- iv.) Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, i.e. Tuesday, September 22, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.





v.) The Company has appointed Mr. Rajendra Vaze, Practising Company Secretary (Membership No. F4247), as the Scrutinizer to scrutinize the voting during AGM and remote e-voting process in a fair and transparent manner.

vi) The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

**4. Your User ID details are given below**

	<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is In300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

**5. Your password details are given below:**

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.
6. If you are unable to retrieve or have not received the ‘initial password’ or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.



8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open

**Details on Step 2 are mentioned below:**

**How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company
4. Now you are ready for e-voting as the Voting page opens
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**THE PROCEDURE FOR E-VOTING ON THE DAY OF THE AGM IS SAME AS THE INSTRUCTIONS MENTIONED ABOVE FOR REMOTE E-VOTING.**

**B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM AND E-VOTING ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will
4. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL
5. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after scheduled time of the commencement of the meeting. This facility will be available for Members on first come first served basis.
6. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / toll free number 1800-222-990 or contact Mr. Sanjeev Yadav, Assistant Manager- NSDL at [sanjeevy@nsdl.co.in](mailto:sanjeevy@nsdl.co.in) / 022-42165335.
7. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [poonam@arrowgreentech.com](mailto:poonam@arrowgreentech.com) from Monday, September 21, 2020 (9:00 a.m. IST) to Friday, September 25, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM for smooth conduct of the AGM.
8. Members are encouraged to join the Meeting through Laptops for better experience.
9. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
10. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**C. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:**



1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [poonam@arrowgreentech.com](mailto:poonam@arrowgreentech.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [poonam@arrowgreentech.com](mailto:poonam@arrowgreentech.com)

#### D. GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [cs.rajendra@yahoo.in](mailto:cs.rajendra@yahoo.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
  3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
15. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.arrowgreentech.com](http://www.arrowgreentech.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

We would like to draw your kind attention to the following urgent matters, which require your immediate action:-

#### DEMATERIALISATION OF SHARES

SEBI vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that w.e.f. April 1, 2019 except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In light of same shareholders are requested to kindly convert their physical shares in Demat form to avoid hassle in transfer of shares.

#### CONSOLIDATION OF MULTIPLE FOLIOS

Members holding more than one share in the same name or joint names in the same order but under different ledger folios are requested to apply for consolidation of such folios into a single folio and accordingly send a request letter duly signed by the shareholder and the relevant share certificates alongwith the self attested copy of PAN card and Aadhar card to the Registrars and Share Transfer Agent (RTA) of the Company, to enable them to consolidate all such multiple folios into one single folio.

#### PERMANENT ACCOUNT NUMBER

SEBI has mandated submission of Permanent Account Number [PAN] by every participant in the Securities Market. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participants. Members holding shares in physical form are required to submit their PAN details to RTA.

**Pursuant to Regulation 26(4) & 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and Secretarial Standard 2 issued by ICSI, information about the directors proposed to be re-appointed is furnished below:**

**Mr. Shilpan Patel**, aged 64 years, hold a Master's degree in Business Administration from Sam Houston University, Texas, USA. He majored in Economics and Marketing. He did his graduation in Commerce from H.L. College of Commerce, Ahmedabad in India. He finished his schooling from St. Xavier's Highschool, Ahmedabad. In 1979-80 he gained experience in coating industry from Grace Paper Industries Pvt. Ltd and worked there for a period of 9 years. In 1990 he developed Water Soluble Film, which is a product of indigenous research and has very strong bearing on environment. In the year 2000 the product (Water Soluble Film) won the India Star Award. Mr. Shilpan Patel is an inventor and has various patents granted to his credits. These patents have been granted in USA,



Europe, South Africa, Australia and India and are based on Water Soluble Films and Green Technologies. These granted patents are assigned to Arrow Greentech Ltd, and are in public domain.

He is also director in Arrow Convertor Pvt Ltd., Arrow Secure Technology Pvt Ltd., Grace Paper Industries Pvt. Ltd., Sparrow Biopolymer Products Private Limited, Arrow Agri-Tech Pvt. Ltd., Arrow Green Technologies (UK) Ltd. and Advance IP Technologies Limited. He is also a member of CSR Committee of the Company. As on 31<sup>st</sup> March 2020, he held 49,66,346 shares in the Company.

**Mr. Neil Patel**, aged 34 years, is Msc. (Bio medical science) from Kingston College, London. He possesses good entrepreneurship skills. He is associated with the Company since last 2009. He is also Director in Avery Bio-Degradable Products Private Limited, Arrow Agri-Tech Private Limited, Sphere Bio-polymer Pvt. Ltd and Advance Iris Security Products Private Limited and Arrow Green Technologies (UK) Ltd. & Advance IP Technologies (UK) Ltd. He is also a member of Audit Committee and Stakeholder Relationship Committee of the Company. As on 31<sup>st</sup> March 2020, he held 4,24,810 shares in the Company.

**Mrs. Jigisha Patel** aged 62 has done Bachelor of Arts (B.A.) from Calcutta. She is having rich knowledge in supervising and coordinating the administration. She is a professional with good experience of Managing Skills and Handling Team. She possesses a diverse and wide ranging experience and knowledge of Corporate Affairs

As on 31<sup>st</sup> March 2020, she held 18,22,205 shares in the Company.

### Explanatory Statement as required under Section 102(1) of the Companies Act, 2013:

#### Item No. 3:

The tenure of Mr. Shilpan Patel as Managing Director expired on 31 March 2020. The Board of Directors of the Company at its meeting held on 30<sup>th</sup> June 2020 as per the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders, re-appointed Mr. Shilpan Patel as Managing Director of the Company for a period of 5 (Five) years w.e.f. 1<sup>st</sup> April, 2020.

The specific terms of appointment including remuneration payable to Mr. Shilpan Patel as Managing Director and other main terms and conditions of the appointment are as under:

#### 1) Tenure:

For a period of 5 years commencing from 1st April 2020 upto 31<sup>st</sup> March 2025.

#### 2) Remuneration payable:

- (a) Salary of ₹ 6,25,000 per month (₹ 75,00,000 per annum) which includes basic salary and other allowances.
- (b) Other perquisites
  - i) Chauffeur driven Company car.
  - ii) Superannuation Scheme, benefits of Gratuity, earned leave and encashment of leave as per rules of the Company.

#### 3) Termination: Appointment may be terminated by either party by giving to the other party three months' notice.

#### 4) Other Terms

- i. Subject to superintendence, control and direction of the Board of Directors of the Company, the Managerial Personnel shall exercise and perform such powers and duties as the Board of Directors of the Company ("the Board") may from time to time determine and shall also do and perform all such other acts, things and deeds which in the ordinary course of business he considers necessary in the interest of the Company.
- ii. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.
- iii. The Managerial Personnel shall adhere to the Company's Code of Conduct for Directors and Senior Management.
- iv. All the personal policies of the company and related Rules which are applicable to other employees of the company shall also be applicable to the Managerial Personnel, unless specifically provided otherwise.
- v. The Company shall reimburse the Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set-out under item no. 3 except Mr. Shilpan Patel, the appointee and Mr. Neil Patel, Jt. Managing Director of the Company and other relatives of Mr. Shilpan Patel are interested in the resolution as set out at Item No. 3 of the Notice.



The informations as regards Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed hereinafter and forms part of this notice.

The Board recommends the Special Resolutions set out at Item No. 3 of the Notice for approval by the shareholders.

#### Item No. 4:

The tenure of Mr. Neil Patel as Jt. Managing Director expired on 31 March 2020. The Board of Directors of the Company at its meeting held on 30<sup>th</sup> June 2020 as per the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders, re-appointed Mr. Neil Patel as Joint Managing Director for a further term of 5 (Five) years with effect from 1 April 2020.

The specific terms of appointment including remuneration payable to Mr. Neil Patel as Joint Managing Director and other main terms and conditions of the appointment are as under:

#### 1) Tenure:

For a period of 5 years commencing from 1<sup>st</sup> April 2020 upto 31<sup>st</sup> March 2025.

#### 2) Remuneration payable:

- (a) Salary of ₹ 6,25,000 per month (₹ 75,00,000 per annum) which includes basic salary and other allowances.
- (b) Other perquisites
  - i) Chauffeur driven Company car.
  - ii) Superannuation Scheme, benefits of Gratuity, earned leave and encashment of leave as per rules of the Company.

#### 3) Termination: Appointment may be terminated by either party by giving to the other party three months' notice.

#### 4) Other Terms

- i. Subject to superintendence, control and direction of the Board of Directors of the Company, the Managerial Personnel shall exercise and perform such powers and duties as the Board of Directors of the Company ("the Board") may from time to time determine and shall also do and perform all such other acts, things and deeds which in the ordinary course of business he considers necessary in the interest of the Company.
- ii. The Joint Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.
- iii. The Managerial Personnel shall adhere to the Company's Code of Conduct for Directors and Senior Management.
- iv. All the personal policies of the company and related Rules which are applicable to other employees of the company shall also be applicable to the Managerial Personnel, unless specifically provided otherwise.
- v. The Company shall reimburse the Joint Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set-out under item no. 4 except Mr. Neil Patel, the appointee and Mr. Shilpan Patel, Managing Director of the Company and other relatives of Mr. Neil Patel are interested in the resolution as set out at Item No.4 of the Notice.

The informations as regards Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed hereinafter and forms part of this notice.

The Board recommends the Special Resolutions set out at Item No. 4 of the Notice for approval by the shareholders.

#### Item No. 5:

The Board of Directors of the Company ('the Board') by passing circular resolution on 14<sup>th</sup> July, 2020 and, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), Mrs. Jigisha Patel as an Additional Non-Executive Non Independent Woman Director of the Company with effect from the said date.

Mrs. Jigisha Patel will vacate office at this Annual General Meeting. The Board at the aforesaid meeting, on the recommendation of the Committee, recommended for the approval of the Members, the appointment of Mrs. Jigisha Patel as a Non-Executive Non Independent Woman Director of the Company as set out in the Resolution relating to her appointment.



## ARROW GREENTECH LIMITED

Requisite Notice under Section 160 of the Act proposing the appointment of Mrs. Jigisha Patel has been received by the Company, and consent has been filed by Mrs. Jigisha Patel pursuant to Section 152 of the Act.

Mrs. Jigisha Patel aged 62 has done Bachelor of Arts (B.A.) from Calcutta. She is having rich knowledge in supervising and coordinating the administration. She is a professional with good experience of Managing Skills and Handling Team. She possesses a diverse and wide ranging experience and knowledge of Corporate Affairs

As on 31<sup>st</sup> March 2020, she held 18,22,205 shares in the Company.

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set-out under item no. 5 except Mrs. Jigisha Patel, the appointee and Mr. Shilpan Patel, Managing Director & Mr. Neil Patel, Jt. Managing Director of the Company and other relatives of Mrs. Jigisha Patel are interested in the resolution as set out at Item No.5 of the Notice.

The informations as regards Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed hereinafter and forms part of this notice.

The Board recommends the Ordinary Resolutions set out at Item No. 5 of the Notice for approval by the shareholders.

### Item No.6:

The Board of Directors at its meeting held on August 24, 2020 approved for entering into related party transactions by the Company up to the maximum amounts per annum as appended above:

Since the share capital of the Company exceeds ₹ Ten crores approval of the Members by way of Special Resolution is required.

Pursuant to explanation 3 of Rule 15 of Chapter XII the following particulars of the transactions with related party are given below:

1	Name of the related party	<b>Advance Iris Security Products Private Limited</b>	<b>Advance Business Solutions</b>
2	Name of the director or key managerial personnel or their relative who is related party	Mr. Shilpan P. Patel	Mr. Shilpan P. Patel Mr. Neil Patel
3	Nature of relationship	Ms. Jigisha Patel wife of Mr. Shilpan Patel, Mr. Rishil Patel and Mr. Neil Patel son of Mr. Shilpan Patel are directors & members in Advance Iris Security Products Private Limited	Mr. Rishil Patel son of Mr. Shilpan Patel and Mrs. Manisha Sindhi wife of Mr. Neil Patel are partners in Advance Business Solutions.
4.	Nature, material terms, monetary value, and particulars of the contract or arrangement	Sale, purchase or supply of and goods or material. Availing or Rendering of any services	Sale, purchase or supply of and goods or material. Availing or Rendering of any services

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company.

None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution

By order of the Board of Directors  
For **Arrow Greentech Limited**

**Poonam Bansal**  
Company Secretary

Mumbai, August 24, 2020

### Registered Office:

1/F Laxmi Industrial Estate  
New Link Road, Andheri West  
Mumbai – 400053  
CIN: L21010MH1992PLC069281  
Website: www.arrowgreentech.com



## DIRECTORS' REPORT

To,  
The Members,

The Directors of Arrow Greentech Limited present the 28<sup>th</sup> Annual Report on the operations of the Company, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2020.

### Financial Results

(Rupees in thousands)

Particulars	2019-2020	2018-2019
<b>Total income</b>	3,41,649	5,10,911
Profit (Loss) before finance cost, Depreciation and Amortization expenses, exceptional items & Tax	62,851	44,222
Less : Finance Cost	4,514	-
Less : Depreciation and Amortization expenses	32,341	34,084
Less: Exceptional items	3,220	-
<b>Profit Before Tax</b>	<b>22,776</b>	<b>10,138</b>
Less : Provision for Taxation		
- Current Tax	4,933	11,010
- Deferred Tax	(3,347)	(2,773)
<b>Profit for the year</b>	<b>21,190</b>	<b>1,901</b>
Other Comprehensive Income	(122)	(188)
<b>Profit for the year after other comprehensive income</b>	<b>21,068</b>	<b>1,713</b>
Add : Balance brought forward	3,23,640	3,45,406
Less: Opening Balance impact on IND AS 116	1,555	-
Less : Dividend Paid (related to previous year)	5,870	23,479
<b>Balance carried to Balance Sheet</b>	<b>3,37,283</b>	<b>3,23,640</b>

### Indian Accounting Standard

Financial Statement has been prepared in accordance with the Companies ("Indian Accounting Standards") Rules, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.

### Operations:

The total income from operations including other income for the financial year under review amounted to ₹ 3,416.49 Lacs as compared to ₹ 5,109.11 Lacs in the previous year. The Company has earned net profit of ₹ 210.68 Lacs (including other comprehensive income) as compared to ₹ 17.13 Lacs in the previous year. After adjustment of brought forward balance of ₹ 3,236.40 Lacs from previous year and payment of dividend of ₹ 58.70 Lacs and INDAS adjustment of ₹ 15.55 Lacs, ₹ 3,372.83 Lacs has been carried to the Balance Sheet.

### Transfer to Reserves

The Board of Directors has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried to the Profit and Loss account.

### Business outlook and future prospects:

Business outlook and future prospects of the Company is discussed in detail in Management Discussion and Analysis Report attached herewith.

### Dividend

Considering the uncertain times on account of COVID- 19, prevailing situation and the Company's position, the board of directors has decided not to declare any dividend for the financial year ended 31<sup>st</sup> March 2020.



### Public Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### Change in Registered Office

The Registered Office of the company was changed from "Solitaire Corporate Park, Bldg No 3, 7th Floor, Unit No 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093 to " 1/F Laxmi Industrial Estate, New Link Road, Andheri (West) Mumbai – 400053 w.e.f from 1<sup>st</sup> July 2020.

### Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo:

#### (a) Conservation of Energy and Technology Absorption

- (i) The Company has paid special attention to the conservation of energy as a matter of principal and policy. This has been reflected in the selection of equipment at the project stage. The cost of power has kept to the minimum by optimum operation. Regular preventive maintenance has helped to operate unit efficiently.
- (ii) Additional investment and proposals, if any, are being implemented for reduction of Conservation of Energy.
- (iii) Impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods is not ascertainable.

#### (b) Foreign Exchange earning and outgo

Foreign Exchange earnings – ₹ 1,387.30 Lacs (previous year ₹ 1,796.27 Lacs)

Foreign Exchange outgo – ₹ 720.52 Lacs (previous year ₹ 669.48 Lacs)

### Auditors And Auditors' Report

#### Statutory Auditors

Members of the Company at the AGM held on September 27, 2016, approved the appointment of M/s. Haribhakti & Co. LLP, as the statutory auditors of the Company for a period of five years commencing from the conclusion of the 24th AGM held on September 27, 2016 until the conclusion of 29<sup>th</sup> AGM of the Company to be held in the year 2021. The report of the Statutory Auditor forms part of the Annual Report.

The notes on financials statement referred to in the Auditor's report are self explanatory and do not call for further comments. The auditors report do not contain any qualification, adverse remarks.

#### Secretarial Auditor:

The Board has appointed M/s Rajendra & Co., Practising Company Secretary, to conduct Secretarial Audit for the financial year 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as ANNEXURE I to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### Internal Auditor:

The Company has appointed M/s. J.A. Rajani & Co., Chartered Accountants, Mumbai as its Internal Auditor. The internal Auditor monitors and evaluates the effectiveness and adequacy of internal control system in the Company, its compliances with operating systems, accounting procedure and policies at all locations of the Company and reports the same on quarterly basis to the Audit Committee.

#### Particulars of Loans, Guarantees or Investments:

The company has not given any guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the Loans given & investments made by company is given in the notes to the financial statements.





### **Subsidiaries**

As on March 31, 2020 there were 4 subsidiaries and 1 step down subsidiary of the Company:

#### **Direct Indian subsidiary:**

Arrow Secure Technology Private Limited (WOS of the Company)

Avery Pharmaceuticals Private Limited (WOS of the Company)

LQ Arrow Security Products (India) Private Limited

#### **Direct Foreign subsidiary:**

Arrow Green Technologies (UK) Limited (WOS of the Company)

#### **Step down subsidiary:**

Advance IP Technologies Limited (Subsidiary of Arrow Green Technologies (UK) Limited)

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of each of the subsidiary in the prescribed form AOC-1 as ANNEXURE II to this Report, the financial statements of the subsidiaries are kept for inspection by the shareholders at the Registered Office of the Company. The said financial statements of the subsidiaries are also available on the website of the Company [www.arrowgreentech.com](http://www.arrowgreentech.com) under the Investors Section.

A report on the performance and financial position of the each of the subsidiaries in the AOC-1 is annexed to the report and hence not repeated here for the sake of brevity, under Rule 8 of the Companies (Accounts) Rules, 2014.

The Company has also formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company i.e. [www.arrowgreentech.com](http://www.arrowgreentech.com) and can be accessed at [http://www.arrowgreentech.com/images/policies/Policy\\_on\\_Material\\_Subsiidiaries.pdf](http://www.arrowgreentech.com/images/policies/Policy_on_Material_Subsiidiaries.pdf)

### **Consolidated Financial Statements**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Act and SEBI Listing Regulations and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

In accordance with the Section 129(3) of the Act and Accounting Standard (Ind AS 110) on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in this Annual Report.

### **Corporate Governance**

Your Company is in compliance with the Corporate Governance guidelines, as laid out in the SEBI Listing Regulations.

As per Regulation 34 (3) read with Schedule V of the SEBI Listing Regulations, a separate section on corporate governance practices, followed by the Company, together with a certificate from M/s. Haribhakti & Co., LLP, Chartered Accountants, confirming compliance forms an integral part of this Report.

The annual report of the Company contains a certificate by the Chairman and Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from the Directors and the Senior Management personnel and a Certificate by M/s. Haribhakti & Co., LLP, Chartered Accountants, who have examined the requirements of Corporate Governance with reference to SEBI Listing Regulations and have certified the compliance, as required under SEBI Listing Regulations.

### **Internal control systems and their adequacy:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.



The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

**Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and the auditor has not identified any material weakness relating to financial reporting

**Extract of Annual Return:**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “**ANNEXURE III**”.

**SHARE CAPITAL****Rights Issue of ₹ 845.28 Lakhs**

The board of directors of your Company on September 07, 2019, approved raising of funds by way of Rights Issue in the ratio of 1 Equity Share for every 5 fully paid-up Equity Shares held by the eligible equity shareholders as on record date i.e. February 13, 2020, at an issue price of ₹ 36/- per equity share. Subsequent on March 19, 2020, the Company issued and allotted 23,47,990 Equity Shares of face value of ₹ 10/- each to the eligible existing equity shareholders under Rights Issue at an issue price of ₹ 36/- (including a premium of ₹ 26/-) per equity share, thereby raising funds aggregating to ₹ 845.28 Lakhs.

Consequent to the above change, the Paid up Share Capital of the Company was increased from ₹11,73,99,480 to ₹14,08,79,380/-.

**Directors and Key Managerial Personnel**

During the year, the tenure of Mr. Shilpan Patel as Chairman & Managing Director and Mr. Neil Patel as Jt. Managing Director of the Company expired on 31<sup>st</sup> March 2020. The Board of Directors of the Company at its Meeting held on 30<sup>th</sup> June 2020, subject to the approval of the shareholders, re-appointed Mr. Shilpan Patel as Chairman & Managing Director and Mr. Neil Patel, as Joint Managing Director for a further term of 5 (five) years with effect from 1<sup>st</sup> April 2020.

Pursuant to the provisions of the Companies Act, 2013 and Article of Association of the Company, Mr. Neil Patel, Jt. Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his appointment.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013.

Details of the Director seeking appointment at the Annual General Meeting, as required in terms of Regulation 36(3) of the SEBI Listing Regulations is provided in the Annexure to the Explanatory Statement to the Notice.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Shilpan Patel, Chairman & Managing Director, Mr. Neil Patel, Jt. Managing Director, Mr. Hitesh Punglia, Chief Financial Officer, and Ms. Poonam Bansal was the Company Secretary of the Company. The Remuneration and other details of Key Managerial Personnel for the financial year ended March 31, 2020 are mentioned in the Extract of the Annual Return which is attached to the Board's Report.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**Meetings**

During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.



Further, a separate Meeting of the Independent Directors of the Company was also held on 13th February, 2020, where at the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

#### **Audit Committee**

An Audit Committee is in existence in accordance with the provisions of Section 177 of the Companies Act, 2013. Kindly refer to the section on Corporate Governance, under the head, 'Audit Committee' for matters relating to constitution, meetings and functions of the Committee.

#### **Vigil Mechanism / Whistle Blower Policy:**

In compliance with provisions of section 177(9) and (10) of the Companies Act, 2013 read with Regulation 22 of the Listing Regulations, your Company has adopted whistle blower policy for Directors and employees to report genuine concerns to the management of the Company. The whistle blower policy of the Company is posted on the website of the Company and may be accessed on the Company's website at the link: <http://www.arrowgreentech.com/images/policies/Whistle%20Blower%20Policy.pdf>

#### **Nomination and Remuneration Committee**

A Nomination and Remuneration Committee is in existence in accordance with the provisions of subsection (3) of Section 178 of the Companies Act, 2013. Kindly refer to the section on Corporate Governance, under the head, 'Nomination and Remuneration Committee' for matters relating to constitution, meetings, functions of the Committee.

#### **Nomination and Remuneration Policy**

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company and the Remuneration Policy of the Company may be accessed on the Company's website at the link: <http://www.arrowgreentech.com/images/policies/nomination-remuneration-policy.pdf>

#### **Corporate Social Responsibility Initiatives**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company during the year are set out in Annexure IV of this report as per the format prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Policy may be accessed on the Company's website at the link: [http://www.arrowgreentech.com/images/policies/CSR\\_Policy.pdf](http://www.arrowgreentech.com/images/policies/CSR_Policy.pdf)

#### **Related Party Transactions:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

#### **Particulars of Employees and related disclosures**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Financial Statement are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

#### **Risk management policy**

Pursuant to the requirement of Section 134 (3) (n) of the Act, the Company has in place a structured risk management policy. The Risk management process is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business.

**Directors' Responsibility Statement**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31<sup>st</sup> March, 2020 and of the profit/loss of the Company for the period under review;
- iii) the directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts/financial statement have been prepared on a 'going concern' basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**Industrial Relations:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

**General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
3. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Acknowledgements:**

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institution, Banks, Government Authorities, Vendors and Shareholders and all organizations connected with its business during the year under review. Your Directors also wish to place a record their deep sense of appreciation for the committed services of Executives, Staff and Workers of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 30<sup>th</sup> June 2020

**Shilpan P Patel**  
Chairman & Managing Director  
DIN: 00341068



## ANNEXURE I

## FORM NO. MR 3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,  
The Members,  
**Arrow Greentech Limited.,**  
Unit No. 372, Bldg No. 3, 7th floor,  
Solitaire Corporate Park,  
Guru Hargovindji Marg, Chalaka,  
Andheri (E), Mumbai 400 093

I/We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arrow Greentech Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not applicable)**
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit period)**
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable for the company during the audit period)**
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **(Not applicable to the company during the Audit Period)**
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the company during the Audit Period)
    - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015
- Other Laws applicable to the company Viz :
1. Bombay Shops and Establishments Act.
  2. The Factories Act 1948 and Rules and Regulations there under
  3. The Industries (Development & Regulation) Act 1951
  4. Various Labour Laws and other incidental Laws related to Labour as under :
    - a. The payment of Wages Act 1936
    - b. The minimum wages Act 1948.
    - c. The payment of Bonus Act 1965
  6. Income Tax Act, 1961 related to Tax Deducted at source and related to Advance tax
  7. Land Revenue laws of respective States.
  8. Goods and Service Tax Act.
  9. Patents Act.

(vi) I have relied on the representation/certificates made by the Company and its Officers for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws, and Regulations to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange Limited and BSE Limited



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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**I further report that** during the audit period, the company has not passed any special Resolution which are having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines.

I also report that during the audit period, the company has passed the necessary Board resolution on 19/03/2020 which are having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines.

- a. Issue of 2,347,990 Equity shares on right basis in the ratio of 1:5 to the Existing Equity shareholders of the company and listing these Equity shares with BSE and NSE.

**For Rajendra and Co.,**  
Company Secretaries

**(Rajendra Vaze )**  
Practicing Company Secretary

Place : Mumbai  
Date : 30th June 2020

FCS No. 4247  
C.P. No. 1975  
UDIN No. F004247B000403162

**This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral Part of this Report.**

**ANNEXURE A**

**To The members  
Arrow Greentech Limited**

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

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

**For Rajendra and Co.,**  
Company Secretaries

**(Rajendra Vaze )**  
Practicing Company Secretary

Place : Mumbai  
Date : 30<sup>th</sup> June 2020

FCS No . 4247  
C.P. No 1975



## ANNEXURE II

Notes to the Consolidated financial statements for the year ended March 31, 2020  
(All amounts in Indian Rupees in thousand unless otherwise stated)

### AOC - 1

#### Saillant features of Financial Statements of Subsidiaries/Associate as per Companies Act, 2013

Name of Subsidiary Company	Reporting currency & Eq. in ₹	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Investment	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
Arrow Green Technologies (UK) Limited	INR GBP	1,871 20	148,298 1,593	151,634 1,629	1,465 16	2,335 25	14,842 164	(52,546) (583)	- -	(52,546) (583)	- -	100
Advance IP Technologies Limited	INR GBP	93 1	76,331 820	81,495 876	5,070 54	45,449 488	2,600 29	(47,925) (532)	- -	(47,925) (532)	- -	95
Arrow Secure Technology Private Limited	INR	4,313	(4,236)	94	17	-	2	(15)	(27)	12	-	100
Avery Pharmaceuticals Private Limited	INR	2,500	(15,776)	137,049	150,324	-	206	(11,561)	(4,143)	(7,419)	-	99
LQ Arrow Security Products (India) Private Limited	INR	7,500	41	7,579	38	1,988	107	34	-	34	-	51

Exchange rates	INR	GBP
31-Mar-20	Avg. Rate	90.14
	Closing Rate	93.08

### Part B: Associate

#### Statement pursuant to Section 129 (3) of the Act related to associate company

Name of Associate Company	Last audited Balance Sheet date	Share of associate held by the Company on the year end		Net worth attributable to share holding as per the latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate is not consolidated
		Nos.	Amount of investment in associate		Extent of holding (%)	Considered in consolidation		
SP Arrow Bio Polymer Products Private Limited	31-Mar-20	4,600	46	(2519)	-	(54)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-20	4,900	49	(74)	-	(58)	Refer note 1	Refer note 2

#### Notes

1. Significant influence due to percentage of holding.
2. Because the company does not have more than 51% shareholding directly or indirectly, i.e. no controlling interest.

For and on behalf of the Board of Directors of  
**Arrow Greentech Limited**

**Shilpan Patel**  
Managing Director  
DIN No - 00341068

**Neil Patel**  
Jt. Managing Director  
DIN No - 00607101

**Hitesh Punglia**  
Chief Financial Officer

**Poonam Bansal**  
Company Secretary



## ANNEXURE III

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

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

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L21010MH1992PLC069281
2	Registration Date	30 <sup>th</sup> October, 1992
3	Name of the Company	Arrow Greentech Limited
4	Category/Sub-category of the Company	Public Company – Limited by Shares
5	Address of the Registered office & contact details	Solitaire Corporate Park, Bldg No 3, 7th Floor, Unit No 372 Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093. Ph. No.: 022 4074 9000 Email – poonam@arrowgreentech.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel No. 022- 49186000 / Fax No. 022- 49186060

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Water Soluble Film	222	32%
2	Royalty Income -Patent	77	30%
3	Other	46	30%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Arrow Secure Technology Pvt. Ltd.</b> 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U74999MH2006PTC165191	Subsidiary	100%	2(87)
2	<b>Arrow Green Technologies (UK) Ltd</b> 291, Mater Avenue, Liverpool L18 9UD.	Foreign Company	Subsidiary	100%	2(87)
3	<b>Avery Pharmaceutical Pvt. Ltd.</b> 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U74999MH2017PTC295476	Subsidiary	99%	2(87)
4	<b>LQ Arrow Security Products (India) Pvt. Ltd.</b> 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U74999MH2017PTC299486	Subsidiary	51%	2(87)
5	<b>SP Arrow Biopolymer Products Pvt. Ltd</b> 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U51498MH2006PTC166618	Associate	46%	2(6)
6	<b>Sphere Biopolymer Pvt. Ltd</b> 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U25203MH2012PTC231084	Associate	49%	2(6)





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

##### (I) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year as on 1 <sup>st</sup> April 2019				Shareholding at the end of the year 31 <sup>st</sup> March 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	64,83,971	0	64,83,971	55.23	87,14,541	0	87,14,541	61.86	6.63
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	11,96,014	0	11,96,014	10.19	11,96,014	0	11,96,014	8.49	-1.70
	<b>Sub Total (A)(1)</b>	<b>76,79,985</b>	<b>0</b>	<b>76,79,985</b>	<b>65.42</b>	<b>99,10,555</b>	<b>0</b>	<b>99,10,555</b>	<b>70.35</b>	<b>4.93</b>
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>76,79,985</b>	<b>0</b>	<b>76,79,985</b>	<b>65.42</b>	<b>99,10,555</b>	<b>0</b>	<b>99,10,555</b>	<b>70.35</b>	<b>4.93</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	2,07,287	19,600	2,26,887	1.93	0	19,600	19,600	0.14	-1.79
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	97,800	0	97,800	0.83	13,973	0	13,973	0.10	-0.73
(f)	Financial Institutions / Banks	1,415	0	1,415	0.01	0	0	0	0.00	-0.01
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>3,06,502</b>	<b>19,600</b>	<b>3,26,102</b>	<b>2.78</b>	<b>13,973</b>	<b>19,600</b>	<b>33,573</b>	<b>0.24</b>	<b>-2.54</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>[3]</b>	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	19,97,992	1,54,727	21,52,719	18.34	20,43,235	1,49,727	21,92,962	15.57	-2.77
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	6,57,308	93,700	7,51,008	6.40	11,29,505	93,700	12,23,205	8.68	2.29
(b)	NBFCs registered with RBI	4211	0	4,211	0.04	0	0	0	0.00	-0.04
(d)	Overseas Depositories (holding Drs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00



Sr No	Category of Shareholders	Shareholding at the beginning of the year as on 1 <sup>st</sup> April 2019				Shareholding at the end of the year 31 <sup>st</sup> March 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Any Other (Specify)									
	Hindu Undivided Family	1,85,245	0	1,85,245	1.58	1,88,384	0	1,88,384	1.34	-0.24
	Foreign Companies	1,76,626	0	1,76,626	1.50	1,76,626	0	1,76,626	1.25	-0.25
	Non Resident Indians (Non Repat)	23,018	7,300	30,318	0.26	20,698	7,300	27,998	0.20	-0.06
	Non Resident Indians (Repat)	1,79,248	0	1,79,248	1.53	1,72,125	0	1,72,125	1.22	-0.31
	Foreign Portfolio Investor (Individual)	100	0	100	0.00	100	0	100	0.00	0.00
	Clearing Member	62,317	0	62,317	0.53	13,695	0	13,695	0.10	-0.43
	Bodies Corporate	1,73,869	18,200	1,92,069	1.64	1,33,015	15,700	1,48,715	1.06	-0.58
	<b>Sub Total (B)(3)</b>	<b>34,59,934</b>	<b>2,73,927</b>	<b>37,33,861</b>	<b>31.80</b>	<b>38,77,383</b>	<b>2,66,427</b>	<b>41,43,810</b>	<b>29.41</b>	<b>-2.39</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>37,66,436</b>	<b>2,93,527</b>	<b>40,59,963</b>	<b>34.58</b>	<b>38,91,356</b>	<b>2,86,027</b>	<b>41,77,383</b>	<b>29.65</b>	<b>-4.93</b>
	<b>Total (A)+(B)</b>	<b>1,14,46,421</b>	<b>2,93,527</b>	<b>1,17,39,948</b>	<b>100.00</b>	<b>1,38,01,911</b>	<b>2,86,027</b>	<b>1,40,87,938</b>	<b>100.00</b>	<b>0.00</b>
(C)	<b>Non Promoter - Non Public</b>									
	(C1) Shares Underlying Drs									
[1]	Custodian/DR Holder (C2) Shares Held By Employee Trust	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total (A)+(B)+(C)</b>	<b>1,14,46,421</b>	<b>2,93,527</b>	<b>1,17,39,948</b>	<b>100.00</b>	<b>1,38,01,911</b>	<b>2,86,027</b>	<b>1,40,87,938</b>	<b>100.00</b>	

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year as on 1 <sup>st</sup> April 2019			Shareholding at the end of the year 31 <sup>st</sup> March 2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHILPAN P PATEL	32,26,342	27.48	0.00	49,66,346	35.25	0.00	7.77
2	JIGISHA S PATEL	15,18,503	12.93	0.00	18,22,205	12.93	0.00	0.00
3	ARROW CONVERTORS PVT LTD	11,96,014	10.19	0.00	11,96,014	8.49	0.00	-1.70
4	SHILPAN P PATEL (HUF)	8,99,316	7.66	0.00	10,79,180	7.66	0.00	0.00
5	RISHIL S PATEL	4,20,000	3.58	0.00	4,22,000	3.00	0.00	-0.58
6	NEIL S PATEL	4,19,810	3.58	0.00	4,24,810	3.02	0.00	-0.56
	<b>Total</b>	<b>76,79,985</b>	<b>65.42</b>	<b>0.00</b>	<b>99,10,555</b>	<b>70.35</b>	<b>0.00</b>	<b>4.93</b>

**(iii) Change in Promoter's holding**

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1 <sup>st</sup> April 2019		Transactions during the year		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March 2020	
		No. of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% Of Total Shares Of The Company
1	SHILPAN P PATEL	32,26,342	22.90			32,26,342	22.90
	Transfer			27 Mar 2020	17,40,004	49,66,346	35.25
	AT THE END OF THE YEAR					49,66,346	35.25
2	JIGISHA S PATEL	15,18,503	10.78			15,18,503	10.78
	Transfer			27 Mar 2020	3,03,702	18,22,205	12.93
	AT THE END OF THE YEAR					18,22,205	12.93
3	ARROW CONVERTORS PVT LTD	11,96,014	8.49			11,96,014	8.49
	AT THE END OF THE YEAR					11,96,014	8.49
4	SHILPAN P PATEL (HUF)	8,99,316	6.38			8,99,316	6.38
	Transfer			27 Mar 2020	1,79,864	10,79,180	7.66
	AT THE END OF THE YEAR					10,79,180	7.66
5	NEIL S PATEL	4,19,810	2.98			4,19,810	2.98
	Transfer			27 Mar 2020	5,000	4,24,810	3.02
	AT THE END OF THE YEAR					4,24,810	3.02
6	RISHIL S PATEL	4,20,000	2.98			4,20,000	2.98
	Transfer			27 Mar 2020	2,000	4,22,000	3.00
	AT THE END OF THE YEAR					4,22,000	3.00

- Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 14087938 Shares.  
2. The details of holding has been clubbed based on PAN.  
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

**(iv) Shareholding Pattern of top ten Shareholders**

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

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1 <sup>st</sup> April 2019		Transactions during the year		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March 2020	
		No. of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% Of Total Shares Of The Company
1	AQUAVISTA LIMITED	1,76,626	1.25			1,76,626	1.25
	AT THE END OF THE YEAR					1,76,626	1.25
2	VARSHA SHARAD SHAH	-	0.00			-	0.00
	Transfer			05 Jul 2019	1,06,778	1,06,778	0.76
	Transfer			12 Jul 2019	5,000	1,11,778	0.79
	Transfer			30 Aug 2019	2,197	1,13,975	0.81
	Transfer			06 Sep 2019	2,000	1,15,975	0.82
	Transfer			18 Oct 2019	4,216	1,20,191	0.85
	Transfer			25 Oct 2019	500	1,20,691	0.86
	Transfer			27 Mar 2020	29,619	1,50,310	1.07
	Transfer			31 Mar 2020	254	1,50,564	1.07
	AT THE END OF THE YEAR					1,50,564	1.07
3	ASUTOSH PRAMODCHANDRA MEHTA	1,30,307	0.93			1,30,307	0.93
	AT THE END OF THE YEAR					1,30,307	0.93
4	SAMIR P PATEL	93,700	0.80			93,700	0.67
	AT THE END OF THE YEAR					93,700	0.67
5	DIPAK KANAYALAL SHAH	32,000	0.23			32,000	0.23
	Transfer			26 Jul 2019	4,069	36,069	0.26
	Transfer			02 Aug 2019	1,000	37,069	0.26
	Transfer			09 Aug 2019	1,000	38,069	0.27
	Transfer			16 Aug 2019	1,000	39,069	0.28
	Transfer			23 Aug 2019	1,000	40,069	0.28
	Transfer			30 Aug 2019	1,500	41,569	0.30



## (iv) Shareholding Pattern of top ten Shareholders (Contd.)

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1 <sup>st</sup> April 2019		Transactions during the year		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March 2020	
		No. of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% Of Total Shares Of The Company
	Transfer			06 Sep 2019	4,521	46,090	0.33
	Transfer			20 Sep 2019	13,292	59,382	0.42
	Transfer			27 Sep 2019	400	59,782	0.42
	Transfer			01 Nov 2019	218	60,000	0.43
	Transfer			27 Mar 2020	20,000	80,000	0.57
	AT THE END OF THE YEAR					80,000	0.57
<b>6</b>	<b>KISHAN CHAND GUPTA</b>	23,000	0.16			23,000	0.16
	Transfer			05 Jul 2019	8,000	31,000	0.22
	Transfer			12 Jul 2019	13,000	44,000	0.31
	Transfer			30 Aug 2019	4,000	48,000	0.34
	Transfer			20 Sep 2019	1,000	49,000	0.35
	Transfer			27 Sep 2019	5,000	54,000	0.38
	Transfer			30 Sep 2019	5,000	59,000	0.42
	Transfer			27 Mar 2020	12,000	71,000	0.50
	AT THE END OF THE YEAR					71,000	0.50
<b>7</b>	<b>MITA DIPAK SHAH</b>	36,142	0.26			36,142	0.26
	Transfer			16 Aug 2019	2,000	38,142	0.27
	Transfer			22 Nov 2019	1,858	40,000	0.28
	Transfer			27 Mar 2020	10,000	50,000	0.35
	AT THE END OF THE YEAR					50,000	0.35
<b>8</b>	<b>SANJAY BHAICHAND VORA</b>	23,202	0.16			23,202	0.16
	Transfer			12 Apr 2019	2,358	25,560	0.18
	Transfer			17 May 2019	1,800	27,360	0.19
	Transfer			14 Jun 2019	1,080	28,440	0.20
	Transfer			05 Jul 2019	900	29,340	0.21
	Transfer			02 Aug 2019	1,851	31,191	0.22
	Transfer			09 Aug 2019	39	31,230	0.22
	Transfer			23 Aug 2019	2,070	33,300	0.24
	Transfer			30 Aug 2019	1,080	34,380	0.24
	Transfer			13 Sep 2019	-990	33,390	0.24
	Transfer			08 Nov 2019	-2,970	30,420	0.22
	Transfer			15 Nov 2019	4,680	35,100	0.25
	Transfer			21 Feb 2020	2,160	37,260	0.26
	Transfer			27 Mar 2020	8,100	45,360	0.32
	AT THE END OF THE YEAR					45,360	0.32
<b>9</b>	<b>NITA ASUTOSH MEHTA</b>	41,100	0.29			41,100	0.29
	AT THE END OF THE YEAR					41,100	0.29
<b>10</b>	<b>V SATYA NARAYANA</b>	40,724	0.29			40,724	0.29
	AT THE END OF THE YEAR					40,724	0.29
<b>11</b>	<b>SURESH GADALEY</b>	40,315	0.29			40,315	0.29
	AT THE END OF THE YEAR					40,315	0.29
<b>12</b>	<b>DR. MAKRAND RATUBHAI MASRANI</b>	40,050	0.28			40,050	0.28
	AT THE END OF THE YEAR					40,050	0.28
<b>13</b>	<b>PREMIER INVESTMENT FUND LIMITED</b>	52,300	0.37			52,300	0.37
	Transfer			10 May 2019	5,010	57,310	0.41
	Transfer			24 May 2019	4,601	61,911	0.44
	Transfer			01 Nov 2019	-629	61,282	0.44
	Transfer			08 Nov 2019	-9,371	51,911	0.37
	Transfer			07 Feb 2020	-10,000	41,911	0.30
	Transfer			14 Feb 2020	-28,438	13,473	0.10
	AT THE END OF THE YEAR					13,473	0.10



## (iv) Shareholding Pattern of top ten Shareholders (Contd.)

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1 <sup>st</sup> April 2019		Transactions during the year		Cumulative Shareholding at the end of the year 31 <sup>st</sup> March 2020	
		No. of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% Of Total Shares Of The Company
14	<b>SUNDARAM MUTUAL FUND A/C</b>						
	<b>SUNDARAM SELECT MICRO CAP</b>						
	<b>SERIES XIV</b>	2,06,507	1.47			2,06,507	1.47
	Transfer			05 Apr 2019	-8,431	1,98,076	1.41
	Transfer			12 Apr 2019	-7,747	1,90,329	1.35
	Transfer			19 Apr 2019	-17,392	1,72,937	1.23
	Transfer			26 Apr 2019	-13,652	1,59,285	1.13
	Transfer			03 May 2019	-4,978	1,54,307	1.10
	Transfer			10 May 2019	-4,536	1,49,771	1.06
	Transfer			17 May 2019	-9,720	1,40,051	0.99
	Transfer			24 May 2019	-4,491	1,35,560	0.96
	Transfer			31 May 2019	-13,650	1,21,910	0.87
	Transfer			07 Jun 2019	-11,757	1,10,153	0.78
	Transfer			14 Jun 2019	-50,395	59,758	0.42
	Transfer			21 Jun 2019	-9,761	49,997	0.35
	Transfer			28 Jun 2019	-49,997	-	0.00
	AT THE END OF THE YEAR					-	0.00

- Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 14087938 Shares.  
 2. The details of holding has been clubbed based on PAN.  
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



## (v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Mr. Shilpan P. Patel</b> <b>Chairman &amp; Managing Director</b> At the beginning of the year Changes during the year At the end of the year	19-03-20	Allotment	32,26,342	27.48%	17,40,004	0.00%
				49,66,346	0.00%		7.77%
2	<b>Mr. Neil Patel,</b> <b>Jt. Managing Director</b> At the beginning of the year Changes during the year At the end of the year	19-03-20	Allotment	4,19,810	3.58%	5,000	0.00%
				4,24,810	0.00%		0.04%
3	<b>Mr. Haresh Mehta,</b> <b>Independent Director</b> At the beginning of the year Changes during the year At the end of the year	19-03-20	Allotment	6,800	0.06%	1,500	0.00%
				8,300	0.00%		0.01%
4	<b>Mr. Harish Mishra</b> <b>Independent Director</b> At the beginning of the year Changes during the year Changes during the year At the end of the year	19-03-20	Allotment	-	0.00%	750	0.00%
				900	0.00%		150
5	<b>Mr. Dinesh Modi</b> <b>Independent Director</b> At the beginning of the year Changes during the year At the end of the year			50	0.00%		0.00%
				50	0.00%		0.00%
6	<b>Mr. Dinkarray D Trivedi</b> <b>Independent Director</b> At the beginning of the year Changes during the year At the end of the year			-	0.00%		0.00%
				-	0.00%		0.00%
7	<b>Ms. Aradhana Singh</b> <b>Independent Director</b> At the beginning of the year Changes during the year At the end of the year			-	0.00%		0.00%
				-	0.00%		0.00%
8	<b>Mr. Hitesh Punglia ,</b> <b>Chief Financial Officer</b> At the beginning of the year Changes during the year At the end of the year		-	-	0.00%		0.00%
				-	0.00%		0.00%
9	<b>Ms. Poonam Bansal</b> <b>Company Secretary</b> At the beginning of the year Changes during the year At the end of the year	19-03-20	Allotment	27	0.00%	12	0.00%
				39	0.00%		0.00%

**V. INDEBTEDNESS**

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

(Amt. ₹ Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	525.00	-	-	525.00
* Reduction	(43.26)	-	-	(43.26)
Net Change	481.74	-	-	481.74
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	481.74	-	-	481.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.98	-	-	0.98
<b>Total (i+ii+iii)</b>	482.72	-	-	482.72

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Mr. Shilpan Patel Chairman & Managing Director	Mr. Neil Patel Jt. Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	68,31,000	75,00,000	1,43,31,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	21,600	43,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify			
	Total (A)	68,52,600	75,21,600	1,43,74,200
	Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Director		



## B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount (₹)	
		Mr. Haresh Mehta (ID)	Mr. Harish Mishra (ID)	Ms. Aradhana Singh (ID)	Mr. Dinesh Modi (ID)	Mr. Dinkarray D Trivedi		
1	Independent Directors							
	Fee for attending board committee meetings	2,80,000.00	2,10,000.00	1,10,000.00	2,60,000.00	30,000.00	8,90,000.00	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	2,80,000.00	2,10,000.00	1,10,000.00	2,60,000.00	30,000.00	8,90,000.00	
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	
	Total (B)=(1+2)	2,80,000.00	2,10,000.00	1,10,000.00	2,60,000.00	30,000.00	8,90,000.00	
	Total Managerial Remuneration						1,52,64,200.00	
	Overall Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Director						

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹)
		Mr. Hitesh Punglia, Chief Financial Officer	Ms. Poonam Bansal, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49,41,000.00	9,74,722	59,15,722.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600.00	21,600	43,200.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission	-	-	-
4	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	49,62,600.00	9,96,322.00	59,58,922.00

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					



**ANNEXURE IV****Disclosure of composition of the Corporate Social Responsibility Committee and contents of the CSR Policy in the form of an annual report on CSR as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014****1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities.

In this regard, the Company has made policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen for undertaking socially useful programmes for welfare & sustainable development of the community at large. Fact that policy is placed on website of the Company.

The CSR Committee's Vision is "changing lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.

The CSR Policy of the Company is also available on <http://www.arrowgreentech.com>

**2. The CSR Committee of the company is comprises of the following Members:**

- (i) Mr. Harish Mishra (Chairman)
- (ii) Mr. Haresh Mehta
- (iii) Mr. Shilpan Patel

**3. The Average net profit of the Company for last three financial years: ₹ 617.04 lacs****4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

Prescribed CSR expenditure for FY 2019-20 : ₹ 12.34 Lacs

Unspent CSR amount carried forward from FY 2018-19 : ₹ 5.49 Lacs

**Total amount to be spent in CSR : ₹ 17.83 Lacs**

**5. Details of CSR spent during the financial year :**

(a) Total amount spent for the financial year 2019-20 : ₹ 7.50 Lacs

(b) Amount unspent, if any : ₹ 10.33 Lacs

(c) Manner in which the amount spent during the financial year is detailed below :

S. No	CSR Projector activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure up to the reporting period (Amt in ₹)	Amount spent: Direct (Amt in ₹)
1	Promote Social, Educational and Cultural development of the society	Social Economic Development	-	7,50,000	7,50,000	7,50,000	7,50,000

**6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report**

The Company has spent ₹ 7.50 lacs out of ₹ 17.83 lacs for the Financial Year 2019-20 as above and has utilized 42.06% of the amount. Your Company is in process of finding suitable project(s), and will contribute in phased manner in future, upon identification of suitable projects within the Company's CSR Policy.

**7. CSR Committee, in it's Responsibility Statement has mentioned that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

Place: Mumbai  
Date: June 30, 2020

**Shilpan Patel**  
Chairman & Managing Director  
DIN: 00341068



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Development

#### A. Water Soluble Film (Watersol®):

Arrow Greentech Ltd (AGTL) is one of the leading manufacturers of cast water soluble film in the world. Beyond mere capacity utilisation of Watersol films plant in Gujarat, our focus will be on new business development through newer applications across segments. This shall expand, and strengthen, our growth pyramid for future. Watersol films have got varied applications across industries including Agrochemical, Construction, Chemical, Dyes & Pigments, Embroidery, Health & Hygiene, Water transfer printing etc.

The agrochemical and health & hygiene sectors consume around 70% of the water soluble film market in the world where your company is working closely with most key prospects and customers to secure business for the current capacity, and also where we can prepare for future expansion in the coming years by targeting specific segments and international regions. AGTL is constantly investing in research and development, and continuous learning, to add more innovative products in its offerings. According to direct market intelligence, India market in hygiene sector is about to offer multi-fold opportunities while the PVA film market is growing at an approximately 4 to 5% CAGR globally as per secondary sources.

The potential of Watersol film in the health hygiene industry is never over rated to a great extent. While hygiene, safe disposal and proper use are non-negotiable, more so after seeing a crisis such as Covid-19, this film can be used as disinfectant laundry bags, disinfectant or fly-repellent sheets or pouches for municipal use, hand-cleaning soap strips and as capsule packs etc. Products, such as Watersol laundry bags or films for fly repellent, are precautionary in nature and help ensure hygiene objectives. AGTL has a new cast Water Soluble film for making detergent filled soluble capsules. This capsule packaging has a wide range of applications. Cast Water Soluble Capsules ensure convenient storage, accountability and safe transportation.

This packaging is environment-friendly being biodegradable and by dissolving completely in water without leaving any residue and consequent environmental risk. This makes it a suitable candidate for innovative packaging such as for water treatment chemicals, swimming pool chemicals, concrete fiber, construction chemicals and various inhibitors and repellents for the industry and municipal use.

We, at Arrow Greentech Limited, are aiming to be the biggest supplier of Watersol film in the coming years by expanding our production capacities to meet the global demand.

#### B. Bio-Compostable Products (Bioplast®):

Movement to ban single-use plastic (SUP) products which are toxic in nature is running since a few years now. However, this is yet to be seen effective. Although the Government has evaluated alternatives and is running guidelines for the use of bio-compostable products as a replacement to them, there is a requirement to create awareness of appropriate implementation of the same. AGTL-Bioplast team is part of the industry in creating awareness among people and various industries and also contributing ideas through industry associations to support government toward its implementation.

Bio-compostable film is an eco-friendly alternative to replace single use toxic plastic for our future generations. With increasing concern over the use of plastic, sustainable alternatives to plastic are in demand. Plastic, made from petrochemicals, is not a product of nature and cannot be broken down by natural degradation process. AGTL's initiative into bio-compostable business is likely to be a game changer in terms of alternatives to conventional plastic packaging. Moreover, the machines being used to produce conventional plastic films can also produce Bioplast (eco-friendly bio compostable) films. This ensures no operational disturbances to plastic manufacturing companies set up, assets and skills.

AGTL shall follow the specifications and standards of ISO 17088 for compostable plastic, as laid down by the Central Pollution Control Board (CPCB). Accordingly, the license from CPCB has been obtained.



AGTL has in-licensed a technology for manufacturing the Bioplast film from Biotec, Germany that is compliant with the European standards - EN 13432. The final product is 100% bio-compostable, made from renewable plant resources (potato starch, poly-lactic acid etc.) and has a diverse range of applications such as garbage bags, garment bags, industrial and commercial packaging, disposable dishes, straws and food containers etc.

**C. Security Products:**

AGTL has an impressive patent portfolio of security products and brand protection. These patents are having an impact on various products—like Anti-counterfeit Threads, Passport Security, Brand Protection, Paper etc. Our team has been working on various strategic alliances with the best in the world for monetising some of these patents and technologies, including producing the products within geographical boundaries of India (under Make in India initiative of GOI), or by cross licensing of patents or out-licensing of patents to other countries.

AGTL has also invested in a high technology plant to manufacture Anti Counterfeit Thread and security films. It entails multiple facet of metalizing, demattalising, holography, nano printing, nano security element, functional, coatings and lamination. Products are being designed to be embedded in Security Papers, Tax Stamps and machine readable thread for brand protection of high value perfumes, cigarette etc. and brand protection in general.

AGTL is expecting to augment its revenues from all the opportunities offered in this area.

**D. Patents and IPR:**

Patents protect a company's inventions and product lines against infringers and many times create a windfall profit when the lawsuits are successfully prosecuted. After winning, it results in continuous royalty income, besides one time fees as granted by the Courts.

IPR has been an important revenue stream for our Company. The revenue streams come from various avenues: 1. In-licensing and producing a product (the patent protection being the responsibility of the patentee). 2. Out-licensing: Giving patent rights or claim rights to another company (normally in the user industry), limiting the same to defined territories, products, end uses or claims. Here the responsibility of protecting the licensee's interest belongs to Arrow and the incoming revenues/royalties are dependent upon the user's production. 3. Cross-licensing.

Currently, AGTL has 39 granted patents nationally and internationally across Europe, USA, South Africa, Australia and Russia.

AGTL has set up a new Research and Development Centre specifically to produce "POCs" (proof of concept) and working on pilot projects, once proven and subsequent out-licensing and/or producing by up-scaling our subsidiary companies in the UK has hired the services of human assets, in commercializing various patents, which led to this RND centre to be based in Mumbai. Potential customers like the look and feel of the outcome of these POCs. We are in continuous discussions with Companies on various patent revenue models. One such patent, is NewSAM (Linerless Self-adhesive Materials), which has a bearing on the way self-adhesive materials, including wallpapers, of the future will be defined, saving costs to producers and saving the earth from hazardous plastic or sulphide paper release coated liners.

As reported earlier, AGTL is involved in a legal fight with Nu-Therapeutics and Shilpa Pharmaceuticals. Our attorneys are confident of succeeding in this litigations.

AGTL is a member of the "Select committee on IP" organised by CII and DIPPIIT (GOI), and our endeavour shall be to ensure that many of the Indian procurement is well in line with Atmanirbhar Bharat Policy of our Hon. PM and Hon. FM. and to expedite legal judgements and rulings in the IP arena and to put India in the Top 25 in GII (Global Innovative Index), as per the Vision of our PM.

**E. Arrow UK Activities:**

Arrow UK has been focusing on various avenues to generate income. It is a wholly owned subsidiary, of AGTL, India. The Board members and team of Arrow UK are aggressively working for Patent & technology commercialization. We plan to increasingly work on this subsidiary's logistical advantage on an ongoing basis in a very friendly environment offered in western world.



## F. Water soluble edible film – Mouth Dissolving Strips (MDS):

MDS are the fast dissolving films that release API quicker than the other formulations like tablets, capsules, oral disintegrating tablets, chewable tablets and liquid dosage forms. These films are formulated to self-dissolve upon the contact with saliva, omitting requirement of additional fluids for consumption. MDS are quick in action by releasing drug instantly. The strips ensure quick absorption and instant bioavailability of drugs. MDS are highly suitable for geriatric, pediatric, mentally challenged, bed ridden, mucositis, Dysphagia, veterinary. MDS offers irrefutable benefits like self-administration ease, without water usability, Quick onset of action, non-invasive dosing methodology & patient convenience

AGTL has invested in its wholly owned Subsidiary Company namely, Avery Pharmaceuticals Private Limited (APPL) for manufacturing of Mouth dissolving strips. Mouth dissolving strips are manufactured using Company's Actives Embedded Water Soluble Films method. Entire manufacturing facility is designed based our Company patented technology.

With a state-of-the-art manufacturing facility comprising advanced machinery as well as a thriving research and development laboratory on the guidelines of EU-WHO-GMP Regulations.

With MDS, we aim to foray in coming years into therapeutic segments such as Cardiology, CNS, Gastrointestinal, Gynaecology, Paediatric, among many others while delivering a significant and positive difference to how drugs are consumed. Apart from Rx based products, we are also introducing FSSAI nutraceutical products.

This project is awarded and recognised by Govt. of Gujarat (MOU was signed during the Vibrant Gujarat submit, 2019) and Avery was recognised as a Health and Hygiene Pharma green field project, investment opportunity. This project will open doors for more economical generic medicines, with a quick delivery system, and may find an important place in Ayushman Bharat initiative of GOI.

Recently we have received license to manufacture for sale or distribution of drugs and product approval for specified products from Food & Drug Control Administration (FDCA).

## 2. Opportunities:

Going green is becoming increasingly attractive as a business strategy. Scientists and politicians today debate on the effects global warming and dwindling natural resources, green industry practices income of a lower carbon footprint, but increased cost savings, supportive government policies, and ever-increasing profitability as well. Trends in consumption, government policy, and costs all point towards even more green industry business opportunities in the years ahead.

Within this sector there are a number of ways to take advantage of the green business movement, from green technology, to green packaging, to cleaning material and services that use eco-friendly products, and dozens of concepts in between.

Green industry methods are on the rise because they're increasingly demanded by consumers, sought after by general public, and required by governments. Sustainable business practices acknowledge the finite resources available and reduce costs through renewable and reusable inputs; they attract niche customers early and have enormous potential to grow into the mainstream.

Need for non-soluble Bio Compostable Plastics is gaining attention now. The threat of flooding has resulted in the realization that Bio-Compostable Films as preferred material to save the cities from flooding. The need for Bio-Compostable film and Bio-Degradable film to save the environment is now present universally and environmentally conscious people of planet earth are looking at various ways to improve the quality of life.

Conventional Tetra Packs packaging is composed of the layers of PE, aluminum, PE and paperboard. Arrow Pack is conceived on Arrow's ingenious hot water soluble film technology that would deftly replaces all layers of PE providing heat preservation inside. Hot water soluble packaging is recyclable in hot water centrifuges and is food grade product. There is reduced risk of transfer of Bisphenol-A, a toxic chemical into food products and their subsequent consumption by humans.

**3. Threats:**

Our business operation may fluctuate due to a variety of factors such as geo-political development, technology obsolescence over a period, delay in project execution etc. Threats also include import of non-specified materials (like blown films) from China, compelling us to keep our prices low and resulting in inability to make higher margins. Any illegal Imports of our patented products like soap film, biocompostable film etc.

**4. Internal control system and their adequacy:**

The company's internal audit system is geared towards ensuring adequate internal controls commensurate with the size, complexity and needs of the business with the objective to ensure that all assets are safeguarded and protected against loss from misuse or disposition and that transaction are authorized, recorded and reported correctly.

The company has appointed internal auditor (external). All operating parameter are well defined and monitored periodically. Audit Committee continuously reviews the adequacy and efficacy of the internal controls. The internal control is designed with the ultimate objective of improving efficiency in its operation, better financial management and compliance with regulation and applicable laws.

**5. Material developments in human resources/industrial relations front, including number of people employed:**

Industrial relation during the year was cordial and peaceful. The company considers human capital as a critical asset and success factor for smooth organizational work flow and growth of the Company as all the products, patents and product application are Niche in themselves. Therefore, the quest for building a dedicated team is ongoing which will foster the growth of the Company. Manpower as on March 31, 2020 including workers, staff and executives was 75.

**6. Cautionary statement:**

This analytical report contains forward-looking statements. Arrow may also make forward-looking statements in our periodic reports to the Stock Exchanges as per prevalent rules and in its annual report to shareholders, in its proxy statements, in its offering circulars and prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Arrow assumes no obligation to update the forward-looking statements in this release and elsewhere. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.



## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2020, in terms Regulation 17 to 27 and Clauses (b) to (i) of regulations 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Corporate Governance signifies the role of the management as the trustees to the property of the shareholders and acceptance of the inherent rights of the shareholders by the management. Corporate Governance is a framework which helps various participants viz. shareholders, Board of Directors and Company's management, in shaping company's performance and the way it is preceding towards attainment of its goals.

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of SEBI Listing Regulations, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders' value.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values.

The Company is in compliance with the requirements on the Corporate Governance stipulated under SEBI Listing Regulations.

### II. BOARD OF DIRECTORS

#### (a) Size and Composition of the Board of Directors

The Board of Directors has an ideal combination of executive and non-executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations which inter-alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on March 31, 2020, the Board comprised seven Directors. Of these, two are Executive Directors, including the Chairman & Managing Director who is a Promoter Director. Remaining five are Independent Directors, including Woman Director.

The Chairman of the Board of Directors is an Executive Director. The composition of the Board of Directors is in conformity with the Regulation 17 of the SEBI Listing Regulations.

Mr. Shilpan Patel, Chairman & Managing Director and Mr. Neil Patel, Jt. Managing Director is relative, except them other Directors of the Company are not related to each other.

All the Independent Directors of the Company furnish declaration annually that they qualify the conditions of their being independent as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations. All such declarations are placed before the Board. Further all the Directors provide declarations annually that they have not been disqualified to act as Director under Section 164(2) of the Companies Act, 2013.

#### (b) Number of Board Meetings

The Board of Directors met five (5) times during the financial 2019-20. The Meetings were held on May 18, 2020, August 03, 2019, September 07, 2019 November 14, 2019 and February 13, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

#### (c) Directors' attendance record and details of Directorships/Committee Positions held

As mandated by SEBI Listing Regulations, none of the Directors on Board is a member of more than ten Board level committees and Chairman of more than five such committees, across all such companies in which he/ she is a Director.

Further, none of the Directors of the Company serves as an Independent Director in more than seven listed companies.

The details of names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and Board-level committee positions held by them as at March 31, 2020 is tabulated hereunder.



Name	Category	No. of Board Meeting attended / held during 2019-20	Attendance at last AGM held on September 07 2019	No. of directorship held in other public companies	Committee Position in other companies	
					Member	Chairman
Mr. Shilpan Patel	Managing Director	5/5	Present	-	-	-
Mr. Haresh Mehta	Independent	5/5	Present	-	-	-
Mr. Harish Mishra	Independent	5/5	Present	-	-	-
Mr. Neil Patel	Jt. Managing Director	3/5	Absent	-	-	-
Mrs. Aradhana Singh	Independent	4/5	Present	-	-	-
Mr. Dinesh Modi	Independent	5/5	Present	2	1	1
Mr. Dinkarray D Trivedi	Independent	1/5	Absent	-	-	-

**Notes:-**

1. The directorship held by directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies and Private Companies.
2. Membership/Chairmanship of only the Audit Committee and Stakeholder's Relationship Committee of all the public limited companies have been considered.

**(d) Information to the Board**

A detailed agenda folder is sent to each Director in advance of the Board Meetings. As a policy, all major decisions, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non-compliances, if any. Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies are placed before the Board.

**(e) Directors with pecuniary relationship or business transaction with the Company:**

The Chairman & Managing Director and the Jt. Managing Director receive Salary, Perquisites and Allowances, while all the Non-Executive Directors receive Sitting Fees.

**(f) Nomination and Remuneration Policy & Remuneration to Directors:**

Remuneration was paid Executive Directors i.e. Mr. Shilpan Patel, Chairman & Managing Director and Mr. Neil Patel, Jt. Managing Director pursuant to the approval of the Nomination and Remuneration Committee, the Board of Directors and the Members of the Company, which is within the limits prescribed under the Companies Act, 2013.

The Non-Executive Directors were paid sitting fees for attending the Meetings of the Board of Directors and the Committees, which is within the limits prescribed under the Companies Act, 2013. The Company pays a sitting fee of ₹ 20,000/- for attending each Board Meeting and ₹ 10,000/- for attending each Committee Meetings.

The details of remuneration paid to Directors during the year ended March 31, 2020 and their shareholding are tabulated hereunder.

(₹ in 000')

Name of the Directors	Salary, Perquisites & Allowances	Sitting Fees	Total	No. of Shares held
Mr. Shilpan Patel	6,853	-	6,853	49,66,346
Mr. Haresh Mehta	-	280	280	8,300
Mrs. Aradhana Singh	-	110	110	-
Mr. Harish Mishra	-	210	210	900
Mr. Neil Patel	7522	-	7522	4,24,810
Mr. Dinesh Modi	-	260	260	50
Mr. Dinkarray Trivedi	-	30	30	-



**(g) Employee Stock Option Scheme:**

The Company does not have any Employee Stock Option Scheme (ESOS).

**(h) Management Discussion and Analysis**

Management Discussion and Analysis is given in a separate section forming part of the Directors' Report in this Annual Report.

**(i) Code of Conduct**

The Board of Directors has laid down the Codes of Conduct ('Code'), for the all Board members and senior management of the company.

These Codes have been posted on the Company's website [www.arrowgreentech.com](http://www.arrowgreentech.com). All the Board Members and Senior Management personnel of the Company have affirmed Compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2020. A declaration to this effect signed by Mr. Shilpan Patel, Chairman & Managing Director is annexed to this Report.

**(j) Familiarization Programmes for Board Members**

All Independent Directors are familiarized with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all business verticals, by way of presenting specific performance of Plant, Product Category and Corporate Function from time to time. The Board of Directors has complete access to the information within the Company. The Independent Directors have the freedom to interact with the Company's management. Directors are also informed of the various developments in the Company through various modes of communications. All efforts are made to ensure that the Directors are fully aware of the current state of affairs of the Company and the industry in which it operates.

Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

**(k) Performance Evaluation and Independent Directors Meeting**

Pursuant to the provisions of Section 134 (3) (p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out.

The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors

During the year FY 2019-20, the Independent Directors of the Company also met on February 13, 2020, inter alia, to discuss and carry out the evaluation of performance of (i) Non-Independent Directors and the Board of Directors of the Company as a whole, (ii) the evaluation of performance of the Chairman of the Company, and (iii) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

Criteria for evaluation of independent directors:

The Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- i) uphold ethical standards of integrity and probity;
- ii) act objectively and constructively while exercising their duties;
- iii) exercise their responsibilities in a bona fide manner in the interest of the Company;
- iv) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- v) assist the Company in implementing the best corporate governance practices;
- vi) strive to attend all Meetings of the Board of Directors and of the Board committees of which they are members;
- vii) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholder's interest;
- viii) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk Management are robust and defensible;
- ix) strive to safeguard the interests of all stakeholders, particularly the minority shareholders;
- x) balance the conflicting interest of the stakeholders;
- xi) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts;





- xii) keep themselves well informed about the Company and the external environment in which it operates;
- xiii) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- xiv) strive to attend the general Meetings of the Company;
- xv) acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xvi) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- xvii) ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xviii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- xix) maintain confidentiality of information such as commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;
- xx) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc;
- xxi) they express concerns about the running of the Company or a proposed action and ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that the concerns are recorded in the Minutes of the Board Meeting;
- xxii) develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior Management of the Company;
- xxiii) fairly contribute towards proper functioning of Board or Committees of the Board.

The Independent Directors shall also be evaluated on the basis of the following criteria i.e. whether they:

- i) satisfy the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations;
- ii) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk Management, resources, key appointments and standards of conduct;
- iii) bring an objective view in the evaluation of the performance of Board and Management;
- iv) actively scrutinise the performance of Management in Meeting agreed goals and objectives and monitor the reporting of performance;
- v) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- vi) contribute to determine appointment and remuneration of executive Directors, Key Managerial Personnel (KMP) and senior Management;
- vii) exercise objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.

The Non-Independent Directors along with the Independent Directors, except the one who is being evaluated, will evaluate/assess each of the Independent Directors on the aforesaid parameters. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

### III. BOARD COMMITTEE

Pursuant to SEBI Listing Regulations there were five Committees as on March 31, 2020 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and Capital Raising Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

#### (a) Audit Committee

As on March 31, 2020, the Audit Committee comprises four (4) Independent Directors and one (1) Executive Director. All Members of the Audit Committee possess accounting and financial management knowledge.

The Internal Auditors and the representative of the statutory auditors are invited for the meetings of the Audit Committee. The Company Secretary is the Secretary to this Committee.

The Audit Committee met four times during the year, i.e. on May 18, 2020, August 03, 2019, November 14, 2019 and February 13, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder



Name of the Member	Category	Position	No. of Meeting held	No. of Meeting attended
Mr. Harish Mishra	Independent Director	Chairman	4	4
Mr. Dinesh Modi	Independent Director	Member	4	4
Mr. Haresh Mehta	Independent Director	Member	4	4
Mr. Dinkarray Trivedi	Independent Director	Member	4	1
Mr. Neil Patel	Executive Director	Member	4	3

Mr. Harish Mishra, Chairman of the Audit Committee was present at the Annual General Meeting of the Company to answer members' queries.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations.

The terms of reference of the Audit Committee include the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism;
- Consider such other matter the board may specify;
- Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in Listing Agreement and the Companies Act, as and when amended.
- Approval of appointment of chief Financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other functions as is mentioned in the terms of reference of audit committee.



**Review of Information by Audit Committee:**

Besides the above, the role of the Audit Committee includes mandatory review of the following information –

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the auditor committee;

**(b) Nomination and Remuneration Committee**

As of March 31, 2020, this Committee comprised three Independent Directors. They are Mr. Harish Mishra (Chairman), Mr. Dinesh Modi and Mr. Haresh Mehta.

This Committee met two times during the previous financial year i.e. on May 18, 2019, and February 13, 2020. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

Name of the Member	Position	Category	No. of Meeting held	No. of Meeting attended
Mr. Harish Mishra	Chairman	Independent	2	2
Mr. Haresh Mehta	Member	Independent	2	2
Mr. Dinesh Modi	Member	Independent	2	2

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- (c) Devising a policy on Board diversity.
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- (e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors

**(c) Stakeholder Relationship / Grievance Redressal Committee**

As on March 31, 2020, this Committee comprises 3 (three) members of which, 2 (Two) are Non-Executive Directors. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship / Grievance Redressal Committee. The Composition of Stakeholders Relationship / Grievance Redressal Committee as on March 31, 2020, is given below:

The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder.

Name of the Member	Position	Category	No. of Meeting held	No. of Meeting attended
Mr. Haresh Mehta	Chairman	Independent	4	4
Mr. Dinesh Modi	Member	Independent	4	4
Mr. Neil Patel	Member	Executive	4	3

The Committee deals with the following matters:

- Noting transfer/transmission of shares.
- Review of dematerialised/rematerialised shares and all other related matters.
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.
- All other matters related to shares/debentures.

**(d) Capital Raising Committee**

The Capital Raising Committee has been formed by the Board of Directors at their meeting held on September 07, 2019 to decide the terms and conditions of the Rights Issue, including the instrument, issue price, rights entitlement ratio, record date, timing of the Rights Issue and other related matters.

This Committee met four times during the previous financial year i.e. on January 11, 2020, February 03, 2020, February 12, 2020 and March 19, 2020.

The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

Name of the Member	Position	Category	No. of Meeting held	No. of Meeting attended
Mr. Shilpan Patel	Chairman	Executive	4	4
Mr. Haresh Mehta	Member	Independent	4	4
Mr. Dinesh Modi	Member	Independent	4	4

**(e) Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility Committee has been formed pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the company from time to time.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company [www.arrowgreentech.com](http://www.arrowgreentech.com).

Annual Report on CSR activities is prepared and is attached as ANNEXURE IV to the Directors Report.

This Committee met two times during the previous financial year i.e. on May 18, 2019, and February 13, 2020.

The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

Name of the Member	Position	Category	No. of Meeting held	No. of Meeting attended
Mr. Harish Mishra	Chairman	Independent	2	2
Mr. Haresh Mehta	Member	Independent	2	2
Mr. Shilpan Patel	Member	Executive	2	2

**IV. DISCLOSURES****a) Related party transactions:**

During the year under review, besides the transactions reported in Notes to Accounts, forming part of the Annual Report, there were no other related party transactions with its promoters, directors and management that had a potential conflict of interest of the Company at large.

**b) Compliance by the Company**

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years/period.

**c) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Ind AS, issued by the Institute of Chartered Accountants of India to the extent possible.

**d) Disclosures of Risk Management**

The Board discussed the risk assessment procedure and the same has been laid before the Board from time to time.

**e) CEO / CFO Certification**

A certification in the terms of Regulation 17(8) of SEBI (LODR) Regulation 2015 from (CEO) Mr. Shilpan Patel, Chairman & Managing Director of the Company, in respect of financial year ended March 31, 2020 was placed before the Board.

**f) Review of Directors Responsibility Statement**

The Board in its report has confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2020 have been prepared as per applicable Ind AS and policies and that sufficient care has been taken for maintaining adequate accounting records.

**g) Whistle Blower Policy**

The Company has adopted Whistle Blower Policy to empower any person associated with the organization to file a grievance if he/ she notice any irregularity. However, the Company has not denied access to any personnel to approach the Audit Committee.

**h) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.**

Company has complied with all the mandatory requirements of the Regulation of the SEBI (LODR) Regulations, 2015. The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant sections of this report.

**V. MEANS OF COMMUNICATION:**

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at <http://www.arrowgreentech.com> containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The quarterly and annual consolidated financial results, notices of Board Meetings and Annual General Meetings, are normally published in Financial Express (English) and Mumbai Lakshadeep (Marathi) newspapers.

Further, the Company disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large.

**VI. GENERAL BODY MEETINGS:**

(i) Location and time of last three Annual General Meetings ('AGM') held:

Financial Year	Date	Time	Venue
2018-2019	September 07, 2019	10.30 a.m.	The Conference Hall, Solitaire Corporate Park, Bldg No 3, 7 <sup>th</sup> Floor, Unit No 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400093
2017-2018	September 15, 2018	10.30 a.m.	
2016-2017	September 13, 2017	10.30 a.m.	

(ii) **Special Resolutions passed in last 3 Extra Ordinary / Annual General Meetings:**

Date of A.G.M. / E.O.G.M.	Particulars of Special Resolution
March 29, 2019	To approve continuation of Mr. Dinkarray D Trivedi as a Director (Category- Non Executive Independent) of the Company
September 15, 2018	To approve Related Party Transaction

(iii) **Special Resolutions passed through Postal Ballot**

During the year No Special Resolution was passed through Postal Ballot.



## VII. GENERAL INFORMATION FOR SHAREHOLDERS

- a) **Annual General Meeting**
- Time : 11.30 A.M.  
Date : 29<sup>th</sup> September, 2020  
Venue : Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

b) **Financial Calendar:**

The financial year of the Company covers the financial period from April 1 to March 31.

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2021 are as follows:

- 1<sup>st</sup> Quarter Results: by August 14, 2020  
2<sup>nd</sup> Quarter Results: by November 14, 2020  
3<sup>rd</sup> Quarter Results: by February 14, 2021  
4<sup>th</sup> Quarter & Annual Results: Before May 30, 2021

- d) **Date of Book Closure** : 26<sup>th</sup> September, 2020 to  
29<sup>th</sup> September, 2020(both days inclusive)

- e) **Dividend Payment Date** : within 5 days from the date of AGM

f) **Listing on Stock Exchanges:**

Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the year 2019-20 to BSE and NSE.

g) **Stock Code**

ISIN for NSDL & CDSL	INE570D01018
BSE	516064
NSE	ARROWGREEN

h) **Corporate Identification Number:**

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L21010MH1992PLC069281

i) **Share Price Data: High/Low and Volume during each month of 2019-2020 at BSE and NSE:**

Month	Company's Shares price at BSE Ltd* (₹)		Company's Shares price at NSE Ltd* (₹)		BSE Sensex		Nifty	
	High	Low	High	Low	High	Low	High	Low
April, 2019	87.90	71.10	87.75	71.00	39,487.45	38,460.25	11856.15	11549.10
May, 2019	75.00	57.10	75.00	58.00	40,124.96	36,956.10	12041.15	11108.30
June, 2019	73.20	45.65	72.40	46.55	40,312.07	38,870.96	12103.05	11625.10
July, 2019	99.60	46.85	96.30	46.80	40,032.41	37,128.26	11981.75	10999.40
August, 2019	56.80	42.40	56.30	42.80	37,807.55	36,102.35	11181.45	10637.15
September, 2019	71.10	52.25	73.00	49.00	39,441.12	35,987.80	11694.85	10670.25
October, 2019	58.85	50.00	58.85	49.00	40,392.22	37,415.83	11945.00	11090.15
November, 2019	57.15	49.25	57.30	49.25	41,163.79	40,014.23	12158.80	11802.65
December, 2019	57.30	45.50	57.50	44.60	41,809.96	40,135.37	12293.90	11832.30
January, 2020	56.50	47.05	56.50	46.05	42,273.87	40,476.55	12430.50	11929.60
February, 2020	72.00	35.30	71.90	35.85	41,709.30	38,219.97	12246.70	11175.05
March, 2020	40.25	30.35	40.00	30.30	39,083.17	25,638.90	11433.00	7511.10

\*Source: www.bseindia.com and www.nseindia.com



**j) Share Transfer System:**

The Registrars and Share Transfer Agent have put in place an appropriate Share Transfer system to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. NSDL and CDSL within 21 days.

**VIII. Shareholding pattern as at March 31, 2020:**

Sr. No	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	99,10,555	70.35
2.	Mutual Funds/UTI	19,600	0.14
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	-	-
4.	Venture Capital Funds	-	-
5.	Foreign Portfolio Investors	14,073	0.10
6.	Bodies Corporate	1,48,715	1.06
7.	Individuals		
	< ₹ 2 Lac	24,43,158	17.3
	> ₹ 2 Lac	9,73,0094	6.91
8.	Clearing Member	13,695	0.10
9.	NRI	2,00,123	1.42
10.	Trust	-	-
11.	Overseas Corporate Bodies	1,76,626	1.25
12.	HUF	1,88,384	1.34
<b>TOTAL</b>		<b>1,40,87,938</b>	<b>100.00</b>

**IX. The Distribution of Shareholding as at March 31, 2020:**

Slab of Shares Holding	Share Holders	%	Amount (₹)	%
1 - 500	7723	87.86	8,502,590	6.04
501 - 1000	568	6.46	4,439,670	3.15
1001 - 2000	231	2.63	3,577,390	2.54
2001 - 3000	83	0.94	2,089,320	1.48
3001 - 4000	33	0.38	1,165,020	0.83
4001 - 5000	32	0.36	1,472,350	1.05
5001 - 10,000	60	0.68	4,302,810	3.05
10,001 - Above	60	0.68	115,330,230	81.86
<b>Total</b>	<b>8790</b>	<b>100.00</b>	<b>14,08,79,380</b>	<b>100.00</b>

**X. Dematerialization of shares and liquidity:**

As on March 31, 2020 about 97.97% of the Company's Equity Shares were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and dematerialised form as on March 31, 2020, is given below:

Category	No. of Shares	%
NSDL	1,11,59,414	79.21
CDSL	26,42,497	18.76
PHYSICAL	2,86,027	2.03
<b>TOTAL</b>	<b>1,40,87,938</b>	<b>100.00</b>

The Promoters hold their entire equity shareholding in the Company in dematerialized form. The Company's equity shares are regularly traded on the BSE and NSE.



**XI. Registrar and Share Transfer Agents: Link Intime India Pvt. Ltd,**

C 101, 247 Park, L B S Marg,  
Vikhroli (West), Mumbai- 400083  
Tel No. : 022 – 49186270  
Fax No. : 022 – 49186060  
E-mail: rnt.helpdesk@linkintime.co.in

**XII. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity: Not applicable**

**XIII. Plant location:**

Plot No. 5310/5311, GIDC, Ankleshwar – 393 002 (Gujarat)

**XIV. Address for Investor Correspondence:**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to: Link Intime India Pvt. Ltd,

**Unit : “Arrow Greentech Ltd.**

C 101, 247 Park, L B S Marg,  
Vikhroli (West), Mumbai- 400083  
Tel No. : 022 – 49186270  
Fax No. : 022 – 49186060  
E-mail: rnt.helpdesk@linkintime.co.in

**For General Correspondence:**

Ms. Poonam Bansal  
Company Secretary & Compliance Officer

**Arrow Greentech Ltd.**

1/F Laxmi Industrial Estate  
New Link Road  
Andheri (West)  
Mumbai 400 053  
Tel No. : 022 - 4074 9000  
Fax No. : 022 - 4074 9099  
Email: poonam@arrowgreentech.com

**XV. Auditors’ Certificate on Corporate Governance:**

The Company has obtained a Certificate from Haribhakti & Co. LLP, regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 34 (3) and PART E of Schedule II of SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to this Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

**XVI. INVESTOR SAFEGUARDS AND OTHER INFORMATION:**

**(i) Revalidation of Dividend warrants:**

In respect of members who have either not opted for NECS/ECS mandate or do not have such a facility with their banker and who have not encashed earlier dividends paid by the Company, are requested to write to Company’s Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of 7 years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond 7 years to Investor Education and Protection Fund.

**(ii) Transfer of Unclaimed Dividend to Investor Education & Protection Fund (IEPF):**

Under the Companies Act, 2013, dividends which remain unclaimed for a period of 7 years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government Dates of declaration of dividends since Financial Year 2012-13 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the table below.





Financial Year	Type of Dividend	Dividend Per Share ₹	Date of Declaration	Due date for Transfer to IEPF	Amount remaining unclaimed / unpaid as on March 31, 2020 (₹ in 000')
31.03.2013	Final	0.75	Sep 28, 2013	Nov 03, 2020	160.69
31.03.2014	Final	1.50	Sep 29, 2014	Nov 04, 2021	424.35
31.03.2015	Final	2.50	Sep 29, 2015	Nov 04, 2022	643.05
31.03.2016	Interim	3.00	Feb 06, 2016	Mar 14, 2023	704.28
31.03.2016	Final	1.50	Sep 27, 2016	Nov 03, 2023	454.85
31.03.2017	Final	5.60	Sep 13, 2017	Oct 19, 2024	1341.39
31.03.2018	Final	2.00	Sep 15, 2018	Oct 21, 2025	516.66
31.03.2019	Final	0.50	Sep 07, 2019	Oct 13, 2026	138.92

Members are further requested to note that after completion of 7 years, no claims shall lie against the said Fund or Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claims.

**(iii) Update Address/ E-mail Address/ Bank details:**

To receive all communications/corporate actions promptly, members holding shares in dematerialized form are requested to please update their address/email address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

**(iv) Electronic Service of Documents to Members at Registered Email Address:**

In accordance with Rule 18 of the Companies (Management and Administration) Rules, 2014 notified under the Companies Act, 2013, the Companies may give Notice of the General Meetings through electronic mode. Further, the said Rule provides that advance opportunity should be given at least once in a financial year to the Members / Members for registering their email address and changes therein, as may be applicable. Further Rule 11 of the Companies (Accounts) Rules, 2014 notified under the Companies Act, 2013 provides that in case of listed companies, financial statements may be sent by electronic mode to such members / members whose shareholding is in dematerialized form and whose email Ids are registered with the Depository for communication purposes. As regards Members / Members whose shareholding is held in physical form, the financial statements may be sent in electronic mode to those members who have positively consented in writing for receiving by electronic mode.

In view of the above, the Company shall send all documents to Members like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those members, whose email address is registered with Depository Participant (DP)/Registrars & Share Transfer Agents (RTA) (hereinafter "registered email address") and made available to us, which has been deemed to be the member's registered email address for serving the aforesaid documents.

To enable the servicing of documents electronically to the registered email address, we request the members to keep their email addresses validated/ updated from time to time. We wish to reiterate that Members holding shares in electronic form are requested to please inform any changes in their registered e-mail address to their DP from time to time and Members holding shares in physical form have to write to our RTA, M/s Link Intime India Pvt. Ltd. at their specified address, so as to update their registered email address from time to time.

It may be noted that the Annual Report of the Company will also be available on the Company's website [www.arrowgreentech.com](http://www.arrowgreentech.com) for ready reference. Members are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the member, any time, as a member of the Company.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: June 30, 2020

**Shilpan P Patel**  
Chairman & Managing Director



**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

To  
The Member of  
**Arrow Greentech Ltd.**

Pursuant to Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

Place: Mumbai  
Date: June 30, 2020

**Sd/-**  
**Shilpan P Patel**  
Chairman & Managing Director



**Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To The Members of  
**Arrow Greentech Limited**

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 04, 2019.
2. We have examined the compliance of conditions of Corporate Governance by Arrow Greentech Limited ('the Company'), for the year ended on March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**Management's Responsibility**

3. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We conducted our examination in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

**Opinion**

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on Use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for any event or circumstances occurring after the date of this certificate.

For **Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

**Snehal Shah**  
Partner  
Membership No. 048539  
UDIN: 20048539AAAACN6767

Place: Mumbai  
Date: August 24, 2020



### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Members  
**ARROW GREENTECH LIMITED**

We have examined the relevant registers, records forms, returns and disclosures received from the Directors of **ARROW GREENTECH LIMITED** Having CIN : L21010MH1992PLC069281 and having registered office at 1/F Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai-400 053 (hereinafter referred to as 'the Company'), produced before us by the company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of the Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca. gov. in taken on 24/08/2020 ) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sir No	Name of the Directors	DIN	Date of appointment in Company.
1	DINESH NAVNITLAL MODI	00004556	05/08/2014
2	SHILPAN PRAVIN PATEL	00341068	30/10/1992
3	HARESH CHHOTALAL MEHTA	00376589	29/09/2015
4	DINKARRAY DURGASHANKAR TRIVEDI	00380306	13/12/2017
5	NEIL SHILPAN PATEL	00607101	01/06/2012
6	HARISH BALBHADRA MISHRA	05301127	01/06/2012
7	ARADHANA SINGH	08141485	29/05/2018 ( Resigned w.e.f. 30/06/2020)

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Rajendra And Co.**,  
Company Secretaries,

**CS. Rajendra R. Vaze .**  
FCS 4847. CP 1975 .

Place : Mumbai  
Dated : 24th August 2020

UDIN No F004247B000610325



# FINANCIAL STATEMENTS STANDALONE

**INDEPENDENT AUDITOR'S REPORT****To the Members of Arrow Greentech Limited****Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of Arrow Greentech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 Standalone Ind AS Financial Statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS Financial Statements.

**Emphasis of Matter**

We draw attention to Note 48 to the accompanying Standalone Ind AS Financial Statements which explains the uncertainties and the Management's evaluation of the financial impact on the Company due to lockdown and other restrictions on account of COVID-19 pandemic situation for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the Standalone Ind AS Financial Statements, Consolidated Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including



other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 this Standalone Ind AS Financial Statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the 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 Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



**Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure 1", 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 (including Other Comprehensive Income), the Statement of Changes in Equity 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 Standalone Ind AS Financial Statements comply with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
  - g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:  
  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act;
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 37 on Contingent Liabilities to the Standalone Ind AS Financial Statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise; and
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

**Snehal Shah**

Partner  
Membership No. 048539  
UDIN: 20048539AAAABN2435

Place : Mumbai  
Date : June 30, 2020





## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2020]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (l) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company except for the details given below:

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2020 (₹ in ₹ 000)	Net Block as on March 31, 2020 (₹ in ₹ 000)
Office Building	1	Freehold	45	39

- (ii) The inventory have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification carried out during the year.
- (iii) The Company has granted loans, secured or unsecured to companies covered in the register maintained under section 189 of the Act. Further, The Company has not granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (a) The terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
- (b) The schedule of repayment of principal and payment of interest in respect of such loans has not been stipulated thus we are unable to comment whether the repayments or receipts are regular and report amounts overdue for more than ninety days, if any, as required under clause 3(iii) (c) of the Order.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), customs duty, cess and any other material statutory dues applicable to it, except that there have been slight delay in few cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable, except the following:



Name of the statute	Nature of the dues	Amount (₹ in '000)	Period to which the amount relates	Due Date	Date of Payment	Remarks
Maharashtra Value Added Tax Act, 2002	VAT	95	2006-2007	March 31, 2007	Unpaid	Maharashtra Value Added Tax Act, 2002
Maharashtra Value Added Tax Act, 2002	VAT	40	2007-2008	March 31, 2008	Unpaid	Maharashtra Value Added Tax Act, 2002
Maharashtra Value Added Tax Act, 2002	VAT	21	2009-2010	March 31, 2010	Unpaid	Maharashtra Value Added Tax Act, 2002

- (b) The dues outstanding with respect to income tax, sales tax and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in '000)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	VAT	2,839	2003-2004	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	442	2003-2004	Asst Commissioner of Sales Tax (Appeal), Mumbai
Maharashtra Value Added Tax Act, 2002	VAT	3,671	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	3,521	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	12,188	2007-2008	Asst Commissioner of Sales Tax (Appeal), Mumbai
Income Tax Act, 1961	Income Tax	6,188	A.Y.2014-2015	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	51,784	A.Y.2017-2018	Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	2,345	A.Y.2015-2016	Income Tax Appellate Tribunal

- (viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions. The Company has not taken any loans or borrowings from any bank or government nor has it issued any debentures.
- (ix) The Company has prima facie utilized the moneys raised by way of right issue and the term loans during the year for the purposes for which they were raised except for details given below.

Nature of the fund raised	Details of default (Reason /Delay)	Amount (₹ in ₹000)	Subsequently rectified (Yes/No) and details
Right issue	The proceeds could not be utilized as the same was available for utilization for a short period of time from the date of receipt to Balance Sheet date	6,20,86	No

- (x) 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 fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.



- (xiii) All transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

**Snehal Shah**

Partner

Membership No. 048539

UDIN: 20048539AAAABN2435

Place: Mumbai

Date: June 30, 2020



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2020]

### **Report on the Internal Financial Controls with reference to Financial Statements 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 Arrow Greentech Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS 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 with reference to Financial Statements 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' 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 specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness.

Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to Financial Statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

**Snehal Shah**

Partner

Membership No.048539

UDIN 20048539AAAABN2435

Place : Mumbai

Date : June 30, 2020

**BALANCE SHEET AS AT March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

Particulars	Notes	As at	
		March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,51,342	1,14,687
Right of Use assets	3A	3,263	-
Capital work-in-progress	3	-	6,440
Intangible assets	3	13,423	15,661
Intangible assets under development	3	3,762	5,553
Investment Property	4	1,352	1,421
Investment in subsidiaries and associates	5	7,902	5,352
<b>Financial assets</b>			
(i) Investments	5A	97,600	1,16,961
(ii) Loans	6	1,39,154	47,079
(iii) Other financial asset	7	903	1,597
Income tax assets (Net)	8	7,893	7,377
Other non - current assets	9	61,734	26,967
<b>Total Non- current assets</b>		<b>4,88,328</b>	<b>3,49,095</b>
<b>Current assets</b>			
Inventories	10	30,513	54,992
<b>Financial assets</b>			
(i) Trade Receivables	11	26,299	70,398
(ii) Cash and cash equivalents	12	25,160	30,200
(iii) Bank balances other than (ii) above	13	91,399	6,401
(iv) Loans	14	2,179	977
(v) Other financial assets	15	422	142
Other current assets	16	37,566	34,086
<b>Total current assets</b>		<b>2,13,538</b>	<b>1,97,196</b>
<b>TOTAL ASSETS</b>		<b>7,01,866</b>	<b>5,46,291</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	1,40,879	1,17,399
Other Equity	18	4,35,948	3,61,257
<b>Total Equity</b>		<b>5,76,827</b>	<b>4,78,656</b>
<b>Non-current liabilities</b>			
Borrowings	19	39,683	-
Provisions	20	1,443	1,643
Deferred tax liabilities (Net)	35 (c)	231	3,625
Lease Liabilities	3A	562	-
<b>Total Non current Liabilities</b>		<b>41,919</b>	<b>5,268</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables	21		
- Total outstanding dues to Micro and Small Enterprises		238	291
- Total outstanding dues to others		24,548	30,528
(ii) Other financial liabilities	22	50,379	26,942
Provisions	23	2,211	1,333
Other current liabilities	24	5,744	3,273
<b>Total current Liabilities</b>		<b>83,120</b>	<b>62,367</b>
<b>Total Liabilities</b>		<b>1,25,039</b>	<b>67,635</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,01,866</b>	<b>5,46,291</b>
<b>Significant accounting policies</b>	2		

The accompanying notes are an integral part of these financial statements (1-49)

**As Per our report of even date.****For Haribhakti & Co LLP**

Chartered Accountants

ICAI FRN No. 103523W / W100048

**Snehal Shah**

Partner

Membership No. 048539

Place : Mumbai

Date : June 30, 2020

**For and on behalf of the Board of Directors of  
Arrow Greentech Limited****Shilpan Patel**

Managing Director

DIN No - 00341068

**Hitesh Punglia**

Chief Financial Officer

**Neil Patel**

Jt. Managing Director

DIN No - 00607101

**Poonam Bansal**

Company Secretary


**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

Particulars	Notes	Year ended	
		March 31, 2020	March 31, 2019
<b>INCOME</b>			
Revenue from operations	25	3,14,518	4,34,011
Other Income	26	27,131	76,900
<b>TOTAL INCOME</b>		<b>3,41,649</b>	<b>5,10,911</b>
<b>EXPENSES</b>			
Cost of raw materials consumed	27	35,519	36,669
Purchase of stock-in-trade		93,330	2,29,766
Change in inventory of finished goods, work-in-progress and stock in trade	28	(7,276)	(6,293)
Employee benefits expense	29	66,140	87,226
Depreciation and amortisation expense	3-4	32,341	34,084
Finance Cost	31	4,514	-
Other expenses	30	91,085	1,19,321
<b>TOTAL EXPENSES</b>		<b>3,15,653</b>	<b>5,00,773</b>
<b>Profit before exceptional Items and tax</b>		<b>25,996</b>	<b>10,138</b>
Exceptional Items	32	3,220	-
<b>Profit before tax</b>		<b>22,776</b>	<b>10,138</b>
<b>Income tax expense</b>			
Current Tax	35	4,933	11,010
Deferred Tax	35	(3,347)	(2,773)
<b>Total tax expense</b>		<b>1,586</b>	<b>8,237</b>
<b>Profit after tax</b>		<b>21,190</b>	<b>1,901</b>
<u>Other comprehensive income not to be reclassified to profit or loss :</u>			
Re-measurement gains/ (losses) on defined benefit plans		(169)	(265)
Income tax relating to the above items		47	77
		(122)	(188)
<b>Total comprehensive income for the year, net of tax</b>		<b>21,068</b>	<b>1,713</b>
<b>Earnings per equity share ( ₹ )</b>			
Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2019 : ₹ 10)]	36	1.79	0.16

The accompanying notes are an integral part of these financial statements (1-49)

**As Per our report of even date.**
**For Haribhakti & Co LLP**

 Chartered Accountants  
 ICAI FRN No. 103523W / W100048

**Snehal Shah**

 Partner  
 Membership No. 048539

 Place : Mumbai  
 Date : June 30, 2020

**For and on behalf of the Board of Directors of  
 Arrow Greentech Limited**
**Shilpan Patel**  
 Managing Director  
 DIN No - 00341068

**Hitesh Punglia**  
 Chief Financial Officer

**Neil Patel**  
 Jt. Managing Director  
 DIN No - 00607101

**Poonam Bansal**  
 Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Operating activities</b>		
Profit before tax after exceptional items	22,776	10,138
<u>Adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation	32,341	34,084
Loss by fire	3,220	-
Fair value gain on non-current investments	(2,825)	3,824
Provision For Doubtful Debt	5,653	2,492
Provision For Doubtful Advances	583	649
Unrealised Foreign Exchange gain	(32)	(453)
Net gain on sale of Long term investments	(745)	(6,293)
Loss on Sale of Property, plant and equipment	59	-
Finance Cost	4,514	-
Interest income	(10,620)	(1,766)
Gain on Forward Contract	-	10
Dividend Income	(11,494)	(65,851)
	43,430	(23,166)
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in Loans and Advances	(957)	613
Decrease/ (Increase) in non-current assets	25,765	(26,584)
Decrease / (Increase) in trade receivables	39,723	(42,389)
Decrease/ (Increase) in current assets	(3,633)	(593)
Decrease/ (Increase) in Inventories	(5,060)	(10,134)
Increase/ (Decrease) in provisions	847	(429)
Increase/ (Decrease) in trade payables	(6,994)	8,515
Increase/ (Decrease) in other financial Liabilities	11,300	6,892
Increase/ (Decrease) in other Liabilities	2,471	709
Decrease/ (Increase) in Financial asset		
	1,06,892	(86,566)
Income tax paid	(5,449)	(11,148)
<b>Net Cash Flow from/ (utilised in) operating activities</b>	<b>(A)</b>	<b>(97,714)</b>
<b>Investing activities</b>		
Purchase of Fixed assets including CWIP	(96,296)	(15,810)
Proceeds from Long term Borrowing	52,500	-
Repayment of Long term Borrowing	(4,326)	-
Proceeds from disposal of property, plant and equipment	549	-
Investments in/ (Redemption of) shares of subsidiary company	(2,550)	1,225
Loan to subsidiary company	(91,118)	(43,180)
Maturity of mutual fund investment, net	22,931	1,34,478
Investments in Bank deposits	(84,304)	(952)
Dividend Received	11,504	66,435
Interest Received	10,483	1,797
<b>Net cash flows from investing activities</b>	<b>(B)</b>	<b>1,43,993</b>
<b>Financing activities:</b>		
Proceeds from issues of shares	84,528	-
Finance cost Paid	(4,514)	-
Dividend paid, including dividend tax	(5,870)	(23,479)
<b>Net cash (used in) financing activities</b>	<b>(C)</b>	<b>(23,479)</b>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents</b>	<b>(A+B+C)</b>	<b>22,800</b>
Effect of exchange difference on Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the year	30,200	7,400
<b>Cash and Cash equivalents at the end of the year (refer note - 12)</b>	<b>25,160</b>	<b>30,200</b>





## CASH FLOW STATEMENT FOR THE YEAR ENDED ON March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Components of closing cash and cash equivalents</b>		
Cash on hand	320	264
Remittance in Transit		
<b>Balances with Banks</b>		
In Current Accounts	24,840	7,436
Deposits with original maturity of less than 3 months	-	22,500
<b>Cash and Cash equivalents at the end of the year</b>	<b>25,160</b>	<b>30,200</b>

Particulars	Balance as at 01-Apr-19	Cash flows	Balance as at 31-Mar-20
Non current borrowings, refer note 19	-	48,174	48,174
Current borrowings	-	-	-
<b>Total</b>	<b>-</b>	<b>48,174</b>	<b>48,174</b>

### Notes:

Above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow"

The accompanying notes are an integral part of these financial statements (1-49)

### As Per our report of even date.

**For Haribhakti & Co LLP**  
Chartered Accountants  
ICAI FRN No. 103523W / W100048

**Snehal Shah**  
Partner  
Membership No. 048539

Place : Mumbai  
Date : June 30, 2020

**For and on behalf of the Board of Directors of  
Arrow Greentech Limited**

**Shilpan Patel**  
Managing Director  
DIN No - 00341068

**Hitesh Punglia**  
Chief Financial Officer

**Neil Patel**  
Jt. Managing Director  
DIN No - 00607101

**Poonam Bansal**  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### a. Equity shares of Indian ₹ 10 each issued, subscribed and fully paid

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning	1,17,39,948	1,17,399	1,17,39,948	1,17,399
Changes in equity share capital during the year (Refer Note 17 (c))	23,47,990	23,480	-	-
<b>Balance at the end</b>	<b>1,40,87,938</b>	<b>1,40,879</b>	<b>1,17,39,948</b>	<b>1,17,399</b>

### b. Other Equity

	Attributable to owners				
	Reserves and Surplus				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance at March 31, 2018</b>	<b>29,199</b>	<b>8,218</b>	<b>200</b>	<b>3,45,406</b>	<b>3,83,023</b>
Profit for the year	-	-	-	1,901	1,901
Other comprehensive income (net of tax)	-	-	-	(188)	(188)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,713</b>	<b>1,713</b>
<b>Transactions with owners of company</b>					
Cash dividends	-	-	-	(23,479)	(23,479)
<b>Balance at March 31, 2019</b>	<b>29,199</b>	<b>8,218</b>	<b>200</b>	<b>3,23,640</b>	<b>3,61,257</b>
Profit for the year	-	-	-	21,190	21,190
Other comprehensive income (net of tax)	-	-	-	(122)	(122)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,068</b>	<b>21,068</b>
Addition during the Year - Right Issue (Refer Note 17 (c))	61,048	-	-	-	61,048
Opening Balance impact of IND AS 116	-	-	-	(1,555)	(1,555)
<b>Transactions with owners of company</b>					
Cash dividends	-	-	-	(5,870)	(5,870)
<b>Balance at March 31, 2020</b>	<b>90,247</b>	<b>8,218</b>	<b>200</b>	<b>3,37,283</b>	<b>4,35,948</b>

The accompanying notes are an integral part of these financial statements (1-49)

#### As Per our report of even date.

#### For Haribhakti & Co LLP

Chartered Accountants  
ICAI FRN No. 103523W / W100048

#### Snehal Shah

Partner  
Membership No. 048539

Place : Mumbai

Date : June 30, 2020

#### For and on behalf of the Board of Directors of Arrow Greentech Limited

#### Shilpan Patel

Managing Director  
DIN No - 00341068

#### Hitesh Punglia

Chief Financial Officer

#### Neil Patel

Jt. Managing Director  
DIN No - 00607101

#### Poonam Bansal

Company Secretary



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### 1. Corporate Information

Arrow Greentech Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed on BSE & NSE in India. The company is engaged in business of bio-degradable products and having Patents income for such products/technology. The company caters to both domestic and international markets.

### 2. Significant accounting policies

#### A Basis of accounting and preparation of Financial Statements:

##### Compliance with Indian Accounting Standards (Ind AS):

- a) These Standalone Ind AS Financial Statements ("Financial Statements") of the Company, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") as notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These Financial Statements were authorized for issue by the Company's Board of Directors on June 30, 2020.

##### Functional and Presentation Currency

These Financial Statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest thousands, except otherwise indicated.

##### Basis of measurement

These Financial Statements are prepared under the historical cost convention unless otherwise indicated.

##### Use of Estimates and Judgements

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the year in which the results are known/ materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligations (Refer note 41)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 37)
- Estimation of tax expenses and liability (Refer note 8 & 35)
- Useful lives of property, plant, equipment and intangibles (Refer note 3)
- Right to use (Refer note 3A)
- Impairment of financial assets such as trade receivables (Refer note 44)

#### B Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

The Company recognizes provision for sales return, based on the historic results, measured on net basis of the margin of the sale. Therefore, a refund liability, included in other current liabilities, are recognized for the products expected to be returned.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the group as part of the contract. This variable consideration



## Notes to the financial statements for the year ended March 31, 2020

is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

- i) Sale of products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.
- ii) Rendering of services: Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.
- iii) Dividend income: Dividends are recognised in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.
- iv) Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

### C Property, Plant and Equipment

#### i) Recognition and measurement:

Property, plant and equipment are measured at cost / deemed cost, less accumulated depreciation and impairment losses, if any. Cost of Property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated attributable costs of dismantling and removing the asset and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Gains or losses arising from derecognition of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Depreciation on additions/disposals is provided on a pro-rata basis i.e. from / upto the date on which asset is ready for use/disposed off.

#### ii) Depreciation

Depreciation on Property, Plant and Equipment has been provided on written down value basis and manner prescribed in Schedule II to the Companies Act 2013.

Leasehold Land on a straight line basis over the period of lease .i.e. 99 years.

#### iii) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a Straight Line Basis over their estimated useful lives. Costs related to patents are written off over the remaining useful life from the day of grant. Computer Software's are amortized over a period of 3 years from the date of acquisition.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

#### iv) Capital work in Progress

Expenditure during the construction/ pre-operative period is included under Capital Work-in-Progress and same is allocated to the respective Property, Plant and Equipment on the completion of project.

**Notes to the financial statements for the year ended March 31, 2020****D Investment Property**

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 54 years as representing the best estimate of the period over which investment property are expected to be used. Accordingly, the Company depreciates investment properties over a period of 54 years on a straight line basis.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognized in Statement of Profit and Loss.

Fair values is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property valued.

**E Research and Development Cost:**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a products' technical feasibility has been established, in which case such expenditure is capitalized.

Product development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are recognised as intangible assets if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefit are probable, the Company has intention and ability to complete and use or sell the assets and cost can be measured reliably.

The amount capitalized comprise expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Capitalised product development costs are recorded as intangible assets and amortised from the useful life as estimated by the management. Property, Plant and Equipments utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipments.

**F Impairment of Assets:****i) Financial assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI. Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

**ii) Non Financial Assets:**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). The impairment loss is recognised as an expense in the Statement of Profit and Loss.

**G Investment in subsidiaries and associates**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the long term investments.



## Notes to the financial statements for the year ended March 31, 2020

### H Inventories:

- i) Raw Materials, packing materials, Stores and Spares are valued at lower of cost arrived on FIFO method and Net Realisable Value. Cost of raw materials comprises cost of purchases.
- ii) Work-in-progress and Finished Goods are valued at lower of cost and Net Realisable Value. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.
- iii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable 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.

### I Employee Benefits

#### i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

#### ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund."

#### Defined Benefit Plans - Gratuity obligations

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee Benefit expense in the Statement of Profit and Loss.

Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income they are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.



## Notes to the financial statements for the year ended March 31, 2020

- Defined contribution plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once The contributions have been paid. The contributions are accounted for as Defined contribution Plans and The contributions are recognised as employee Benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### J Leases (where the company is lessee):

The Company has implemented the Ind AS 116 "Leases" as notified by the Ministry of Corporate Affairs on March 30, 2019 through the Companies (Indian Accounting Standards) Amendment Rules, 2019. Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all the lease contracts existing on April 1, 2019 using the modified retrospective method of transition. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company's lease asset classes primarily consist of leases of land, building and equipment.

At the date of commencement of lease, the Company recognised a right-to-use assets and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as operating expense on straight-line basis over the term of lease. The right-to-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-to-use of assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset right-to use of assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with corresponding adjustment to the related right to use of asset if company changes its assessment if whether it will exercise an extension or termination option.

Lease liability and right-to-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application.

- 1) Applied a single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date.
- 2) Applied the exemption not to recognize right to use of asset and liabilities for leases with less than 12 months of lease term of the date of initial application.
- 3) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IND AS 116 is applied only to contracts that were previously identified as leases under IND AS 17.
- 4) Excluding initial direct costs for the measurement of right to use of asset at the date of initial application.

### K Foreign Currency Transactions / Translations

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss as either profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income and expenses accordingly.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss in the Statement of Profit and Loss. For example, translation differences on nonmonetary assets and liabilities such as equity instruments held at fair value through profit or loss are included in net profit in the Statement of Profit and Loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair Value through Other Comprehensive Income ("FVOCI") are recognised in other comprehensive income ("OCI").



## Notes to the financial statements for the year ended March 31, 2020

### L Income Tax

Income tax expense comprises current tax and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Current tax comprises of expected tax payable or receivable on taxable income/loss for the year or any adjustment or receivable in respect of previous year. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amount expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting date and are expected to apply to the Company when the related deferred incometax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits (Minimum alternate tax credit entitlement) only if it is probable that future taxable amounts will be available to utilise those temporary differences, unused losses and unused tax credits. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable or no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### M Earnings Per Share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing:

- the net profit or loss after tax for the year attributable to owners of the Company , and
- the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

### N Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### O Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the Financial Statements.





## Notes to the financial statements for the year ended March 31, 2020

### P Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet include cash on hand, cheques on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and overdrawn bank balances.

### Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### Q Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### R Derivatives and hedging activities

The Company holds derivative financial instruments such as forward contracts to mitigate risk of changes in exchange and interest rates. The counterparty for these contracts is generally banks.

#### (i) Cash flow hedges that qualify for hedge accounting:

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Statement of Profit and Loss.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

#### (ii) Derivatives that are not designated as hedges

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss and are included in other income / expenses. Assets/liabilities are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

### S Financial instruments

#### a. Financial Liabilities

##### Initial recognition and measurement

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

##### Subsequent measurement

Financial liabilities are subsequently carried at fair value through profit and loss. For trade payables and other liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original



## Notes to the financial statements for the year ended March 31, 2020

liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### b. Financial assets

#### Initial recognition and measurement

Trade Receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

#### Classification and subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Company classifies financial assets as subsequently measured at amortised cost, fair value through OCI or fair value through profit and loss.

#### i) Financial assets amortised at cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely consisting payments of principal and interest on the principal amount outstanding.

#### ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

#### iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### Equity investments

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

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in OCI. Dividends on such equity instruments are recognised in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Dividends on such equity instruments are recognised in the Statement of Profit and Loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Company has transferred substantially all the risks and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-

**Notes to the financial statements for the year ended March 31, 2020**

recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

**T Current–non-current classification**

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of trade;
- c) it is expected to be realised on demand or within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
- b) it is held primarily for the purpose of trade;
- c) it is due to be settled in demand or within 12 months after the reporting date; or
- d) there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**U Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



**Notes to the financial statements for the year ended March 31, 2020**  
(All amounts in Indian ₹ in thousand unless otherwise stated)

**3 Tangible and intangible assets**

	Gross carrying amount		Accumulated depreciation / amortisation		Net block					
	Carrying amount as at April 01, 2019	Additions during the year	Disposal during the year	As at March 31, 2020	Up to April 01, 2019	Charge for the year	Disposal during the year	Up to March 31, 2020	As at March 31, 2019	As at March 31, 2020
<b>A Property, plant and equipment</b>										
Leasehold Land	3,117	-	-	3,117	97	36	-	133	3,020	2,984
Factory Building										
(Refer note 2 below)	31,580	3,975	(14,610)	20,945	6,146	2,599	-	8,745	25,434	12,199
Plant and Equipment										
(Refer note 2 below)	1,41,692	86,664	(14,255)	2,14,101	65,042	20,771	-	85,813	76,650	1,28,288
Furniture and Fixtures										
(Refer note 2 below)	4,882	558	(1,911)	3,528	1,574	885	-	2,459	3,308	1,069
Electrical Installation	2,973	2,385	-	5,358	1,265	523	-	1,788	1,708	3,569
Laboratory Equipment	46	-	-	46	46	-	-	46	-	-
Vehicles	3,888	-	(91)	3,797	2,373	427	-	2,800	1,515	997
Office Equipment	3,702	389	-	4,091	1,779	807	-	2,586	1,923	1,506
Computer	4,068	-	-	4,068	2,978	571	-	3,549	1,090	519
Office Building										
(Refer note 1 below)	45	184	-	229	6	14	-	19	39	210
<b>Total A</b>	<b>1,95,992</b>	<b>94,155</b>	<b>(30,867)</b>	<b>2,59,280</b>	<b>81,305</b>	<b>26,633</b>	<b>-</b>	<b>1,07,938</b>	<b>1,14,687</b>	<b>1,51,342</b>
<b>B Capital work-in-progress</b>										
	6,440	77,935	(84,375)	-	-	-	-	-	6,440	-
<b>Total B</b>	<b>6,440</b>	<b>77,935</b>	<b>(84,375)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,440</b>	<b>-</b>
<b>C Intangible assets</b>										
Patent rights	21,066	-	-	21,066	5,405	2,238	-	7,643	15,661	13,423
<b>Total C</b>	<b>21,066</b>	<b>-</b>	<b>-</b>	<b>21,066</b>	<b>5,405</b>	<b>2,238</b>	<b>-</b>	<b>7,643</b>	<b>15,661</b>	<b>13,423</b>
<b>D Intangible assets under development</b>										
Patent rights	4,458	338	(1,679)	3,117	-	-	-	-	4,458	3,117
Product Development	-	-	-	-	-	-	-	-	-	-
Software development	1,096	-	(451)	645	-	-	-	-	1,096	645
<b>Total D</b>	<b>5,553</b>	<b>338</b>	<b>(2,129)</b>	<b>3,762</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,553</b>	<b>3,762</b>
<b>Total (A+B+C+D)</b>	<b>2,29,052</b>	<b>1,72,427</b>	<b>(1,17,371)</b>	<b>2,84,108</b>	<b>86,710</b>	<b>28,870</b>	<b>-</b>	<b>1,15,581</b>	<b>1,42,341</b>	<b>1,68,527</b>

**Note :**

- (1) Building having gross value of ₹ 45 (P.Y. ₹ 45) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the Company in due course.
- (2) Assets Disposal during the year include assets destroyed by fire (Factory Building ₹ 14610, Plant and Equipment ₹ 13818, Furniture and Fixtures ₹ 1911).



**Notes to the financial statements for the year ended March 31, 2020**  
(All amounts in Indian ₹ in thousand unless otherwise stated)

**3 Tangible and intangible assets**

	Gross carrying amount			Accumulated depreciation / amortisation			Net block			
	Carrying amount as at April 01, 2018	Additions during the year	Disposal during the year	As at March 31, 2019	Up to April 01, 2018	Charge for the year	Disposal during the year	Up to March 31, 2019	As at March 31, 2018	As at March 31, 2019
<b>A Property, plant and equipment</b>										
Leasehold Land	3,117	-	-	3,117	61	36	-	97	3,056	3,020
Factory Building	30,445	1,135	-	31,580	3,388	2,758	-	6,146	27,057	25,434
Plant and Equipment	1,36,727	4,965	-	1,41,692	40,955	24,087	-	65,042	95,772	76,650
Furniture and Fixtures	3,164	1,718	-	4,882	530	1,044	-	1,574	2,634	3,308
Electrical Installation	2,808	165	-	2,973	677	588	-	1,265	2,131	1,708
Laboratory Equipment	46	-	-	46	46	-	-	46	-	-
Vehicles	3,888	-	-	3,888	1,755	618	-	2,373	2,133	1,515
Office Equipment	2,116	1,586	-	3,702	753	1,026	-	1,779	1,363	1,923
Computer	3,228	840	-	4,068	1,750	1,228	-	2,978	1,478	1,090
Office Building (Refer note 1 below)	45	-	-	45	4	2	-	6	41	39
<b>Total A</b>	<b>1,85,583</b>	<b>10,409</b>	-	<b>1,95,992</b>	<b>49,918</b>	<b>31,387</b>	-	<b>81,305</b>	<b>1,35,665</b>	<b>1,14,687</b>
<b>B Capital work-in-progress</b>										
<b>Total B</b>	-	6,440	-	6,440	-	-	-	-	-	6,440
<b>C Intangible assets</b>										
Patent rights	21,066	-	-	21,066	2,781	2,624	-	5,405	18,285	15,661
<b>Total C</b>	<b>21,066</b>	-	-	<b>21,066</b>	<b>2,781</b>	<b>2,624</b>	-	<b>5,405</b>	<b>18,285</b>	<b>15,661</b>
<b>D Intangible assets under development</b>										
Patent rights	4,173	284	-	4,458	-	-	-	-	4,173	4,458
Product Development	1,143	1,555	(2,699)	-	-	-	-	-	1,143	-
Software development	1,276	455	(635)	1,096	-	-	-	-	1,276	1,096
<b>Total D</b>	<b>6,593</b>	<b>2,294</b>	<b>(3,334)</b>	<b>5,553</b>	-	-	-	-	<b>6,593</b>	<b>5,553</b>
<b>Total (A+B+C+D)</b>	<b>2,13,242</b>	<b>19,143</b>	<b>(3,334)</b>	<b>2,29,052</b>	<b>52,699</b>	<b>34,011</b>	-	<b>86,710</b>	<b>1,60,543</b>	<b>1,42,341</b>

**Note :**

(1) Building having gross value of ₹45 (P.Y. ₹ 45) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the Company in due course.



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### 3A Right to use

#### (I) Amounts to be recognised in balance sheet as on March 31, 2020

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2020
Lease hold land/building	3,263
<b>Total</b>	<b>3,263</b>

Lease liabilities	March 31, 2020
Current	3,609
Non - Current	562
<b>Total</b>	<b>4,171</b>

#### (ii) Amounts to be recognised in Statement of Profit and Loss for the year ended March 31, 2020

The Statement of Profit and Loss shows the following amounts relating to leases:

Depreciation	March 31, 2020
Lease hold land/building	3,471
<b>Total</b>	<b>3,471</b>

Interest expenses on lease liabilities (included in finance cost) ₹ 901 thousand

#### (iii) Total cash outflow for leases during financial year was :

Particulars	March 31, 2020
Operating cash flows : Interest expenses	901
<b>Total</b>	<b>901</b>

### Impact of change in the accounting policy

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition, accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is insignificant on the profit for the period, earnings per share, total assets, total liabilities and adjustment to retained earnings.

On adoption of IND AS 116, the Company recognised lease liabilities under the principles of IND AS 17 "Leases". The Right -of-use assets is measured at an amount equal to the lease liability. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019.

#### (i) Summary of practical expedients applied on initial application of Ind AS 116 Leases -

In applying IND AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

1. Relying on assessments performed immediately before initial application on whether leases are onerous as per Ind AS 37 Provisions, Contingent liabilities and Contingent Assets, as an alternative to performing an impairment review as per Ind AS 36 - Impairments of assets as on the date of initial application – there were no onerous contracts as at 1 April 2019
2. Accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases, and
3. Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, the company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying IndAS 17 in determining whether an arrangement contains a Lease.


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

## (ii) Measurement of lease liabilities

Particulars	Amount
Operating lease commitments disclosed as at March 31, 2019	-
Operating lease commitments as on March 31, 2019 discounted using the lessee's incremental borrowing rate of at the date of initial application	-
Add: finance lease liabilities recognised as at 31 March 2019	8,220
(Less): short-term leases not recognised as a liability	-
Add/(less): adjustments for non-cancellable lease	-
Lease liability recognised as at 1 April 2019	8,220
Of which are:	
Current lease liabilities	4,049
Non-current lease liabilities	4,171



### Notes to the financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

#### 4 Investment Property

	Gross carrying amount		Accumulated depreciation / amortisation			Carrying amount	
	Carrying amount as at April 01, 2019	Disposal during the year	Up to April 01, 2019	Charge for the year	Disposal during the year	Up to March 31, 2020	As at March 31, 2020
Guest House	1,651	-	230	69	-	299	1,421
<b>Total</b>	<b>1,651</b>	<b>-</b>	<b>230</b>	<b>69</b>	<b>-</b>	<b>299</b>	<b>1,421</b>

	Gross carrying amount		Accumulated depreciation / amortisation			Carrying amount	
	Carrying amount as at April 01, 2018	deletion during the year	Up to April 01, 2018	Charge for the year	Disposal during the year	Up to March 31, 2019	As at March 31, 2019
Guest House	1,651	-	157	73	-	230	1,494
<b>Total</b>	<b>1,651</b>	<b>-</b>	<b>157</b>	<b>73</b>	<b>-</b>	<b>230</b>	<b>1,421</b>

#### (i) Amount recognised in Statement of Profit and Loss for investment property

	As at March 31, 2020	As at March 31, 2019
Depreciation	69	73
<b>Profit / (loss) from investment property</b>	<b>(69)</b>	<b>(73)</b>
<b>(ii) Fair value</b>		
Investment property #	2,555	2,555

#### # Estimation of Fair value

The Company has carried out the fair valuation of property involving external independent valuation expert. As per the fair valuation report dated May 21, 2018 the fair value of investment property is ₹ 2,555 ('000). The valuation model has considered various input like cost, location, market appreciation, etc.




**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**5 Non-current Investments**

	As at			
	March 31, 2020		March 31, 2019	
	Nos.	Amount	Nos.	Amount
<b>Investment in Equity instruments of subsidiaries (Unquoted) (Fully paid up) (Trade)</b>				
Investment in Arrow Green Technologies (UK) Limited of face value £1 each (100% holding)	20,099	1,602	20,099	1,602
Investment in Arrow Secure Technology Private Limited of face value ₹ 10 each (100% holding)	4,31,175	-	4,31,175	-
Investment in Avery Pharmaceuticals Private Limited of face value ₹ 10 each (99% holding)	2,47,500	2,475	2,47,500	2,475
Investment in LQ Arrow Security Products (India) Private Limited of face value ₹ 10 each (51% holding)*	3,82,499	3,825	1,27,499	1,275
		<b>7,902</b>		<b>5,352</b>
* Pursuant to Board Resolution dated January 23, 2020 company purchase 2,55,000 shares (51% Stake) of its wholly owned subsidiary LQ Arrow Security Products (India) Private Limited.				
<b>Investment in Equity instruments of Associates (Unquoted) (Fully paid up) (Trade)</b>				
Investment in SP Arrow Bio-Polymer Products Private Limited of face value ₹ 10 each (46% holding)	4,600	-	4,600	-
Investment in Sphere Bio-Polymers Private Limited of face value ₹ 10 each (49% holding)	4,900	-	4,900	-
		<b>7,902</b>		<b>5,352</b>
Aggregate amount of quoted investments and market value thereof	-		-	
Aggregate amount of unquoted investments		7,902		5,352
Aggregate amount of impairment in the value of investments	-		-	


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**5.A Investments**

	As at			
	March 31, 2020		March 31, 2019	
	Nos.	Amount	Nos.	Amount
in Equity Instruments (Unquoted), (Fully Paid). Non-Trade, at Fair value through Profit or Loss				
Shamrao Vithal Co- operative Bank Equity Shares of ₹ 25 each	300	9	300	9
Equity Shares of ₹ 10 each	100		100	
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		97,591		1,16,952
		<b>97,600</b>		<b>1,16,961</b>
Aggregate amount of quoted investments and market value thereof		97,591		1,16,952
Aggregate amount of unquoted investments		9		9
Aggregate amount of impairment in the value of investments		-		-

**Investment in mutual funds (quoted) (fully paid up) at Fair Value through Profit and Loss**

	As at			
	March 31, 2020		March 31, 2019	
	Units	Amount	Units	Amount
HDFC Corp Debt Opportunities Fund-Regular *	26,87,329	44,734	26,87,329	40,995
ICICI Prudential Equity Income Fund Regular Plan	-	-	29,18,288	33,298
ICICI Prudential Savings Fund - Daily Dividend	4,99,901	52,857	2,91,855	30,872
ICICI Prudential Value Discovery Fund- Dividend	-	-	4,44,950	11,787
		<b>97,591</b>		<b>1,16,952</b>

\* Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2019-20 and FY 2018-19

	As at	
	March 31, 2020	March 31, 2019
<b>6 Loans</b>		
<u>Unsecured, considered good</u>		
Security deposits - Others	4,584	3,559
Loan to Employees	272	340
Loan to Subsidiary (Refer note 42)	1,34,298	43,180
	<b>1,39,154</b>	<b>47,079</b>
<b>7 Other financial assets</b>		
Fixed deposits with Bank (maturity more than 12 months) *	903	1,597
	<b>903</b>	<b>1,597</b>

\*Held as lien by bank against bank guarantee/Security Deposit of Mar 31, 2020 ₹ 903; Mar 31,2019 ₹1,597


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>8 Income tax assets (Net)</b>		
Advance Income Tax (Net of Provision for Taxation of Mar 31, 2020 ₹ 70,353; Mar 31,2019 ₹ 65,420)	7,893	7,377
	<b>7,893</b>	<b>7,377</b>
<b>9 Other non-current assets</b>		
Unsecured, considered good		
Capital advances	525	26,767
Insurance Claim Receivable (Refer Note 32)	61,174	-
Prepaid expenses	35	200
	<b>61,734</b>	<b>26,967</b>
<b>10 Inventories</b>		
Raw materials and components:		
Polyvinyl Alcohol	3,226	10,432
Chemicals	604	1,200
Others	631	616
<b>Total</b>	<b>4,460</b>	<b>12,248</b>
<u>Work in progress:</u>		
Water Soluble Films	4,789	11,821
<u>Finished goods:</u>		
Water Soluble Films	3,012	9,102
Other (Stock in transit)	1,659	-
<u>Stock in trade</u>		
Cleaning products	1,551	15,410
Bioplast	3,909	5,988
Other (Including PVA)	11,081	-
	<b>16,541</b>	<b>21,398</b>
Stores and spares	52	423
	<b>30,513</b>	<b>54,992</b>
<b>11 Trade Receivables</b>		
<u>Unsecured</u>		
Dues from subsidiaries, considered good (refer note 42)	62	4,194
Dues from other trade receivables considered good	26,237	66,204
Dues from other trade receivables considered doubtful	7,550	1,897
Less: Allowance for doubtful debts	(7,550)	(1,897)
	<b>26,299</b>	<b>70,398</b>
<b>Note:</b> Trade receivable are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts		
<b>12 Cash and cash equivalents</b>		
Balance with bank:		
On current accounts	24,840	7,436
Deposits with original maturity of less than 3 months	-	22,500
Cash on hand	320	264
	<b>25,160</b>	<b>30,200</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>13 Bank balances other than cash and cash equivalents</b>		
Unclaimed Dividend Account	4,384	4,249
Right Issue - Escrow Account	1,028	-
Employer Gratuity Account	413	-
Deposits with maturity of more than 3 months but less than 12 months ***	85,574	2,152
	<b>91,399</b>	<b>6,401</b>
***Held as lien by bank against bank guarantee of Mar 31, 2020 ₹ 25,171, Mar 31, 2019 ₹ 1775		
<b>14 Loans</b>		
Unsecured, considered good		
Security deposits - Others	73	126
Loan to Employees	-	851
Loan to Other	2,106	-
	<b>2,179</b>	<b>977</b>
<b>15 Other financial assets</b>		
Unsecured, considered good		
Derivative Assets	-	10
Interest accrued on deposits with bank	269	132
Export benefit receivable	153	-
	<b>422</b>	<b>142</b>
<b>16 Other current assets</b>		
Unsecured, considered good unless stated otherwise		
Advance to suppliers		
Considered Good	2,417	2,193
Considered Doubtful	2,782	2,199
Less: Provision for Doubtful Advance	(2,782)	(2,199)
	<b>2,417</b>	<b>2,193</b>
Prepaid expenses	701	949
Advance to employees	1,093	1,028
Balance with Government authorities	36,724	29,914
Less: GST on material consumed By fire (Refer Note 32)	(3,369)	-
	<b>37,566</b>	<b>34,084</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**17 Equity share capital**
**a) Equity share capital**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	1,50,00,000	1,50,000	1,50,00,000	1,50,000
<b>Issued, Subscribed and Paid Up :</b>				
Equity shares of ₹ 10 each fully paid	1,40,87,938	1,40,879	1,17,39,948	1,17,399

**b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,17,39,948	1,17,399	1,17,39,948	1,17,399
Add: Right issue share issued during the year (Refer Note 17(c) below)	23,47,990	23,480	-	-
Outstanding at the end of the year	<b>1,40,87,938</b>	<b>1,40,879</b>	<b>1,17,39,948</b>	<b>1,17,399</b>

**c) Terms /Rights attached to Equity shares**

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares 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 shareholders.

\*On March 19, 2020 the Company has allotted 23,47,990 fully paid-up Equity Shares of face value ₹ 10 each ("Equity Shares") at an issue price of ₹ 36/- (including a premium of ₹ 26/- per Equity Share) for cash to the existing equity shareholders in the ratio of 1 (One) fully paid up Equity Shares for every 5 (Five) fully paid Equity Shares held by the existing equity shareholders on Rights basis.

**d) Details of shares held by each shareholder holding more than 5% equity shares**

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Private Limited	11,96,014	8%	11,96,014	10%
Jigisha S. Patel	18,22,205	13%	15,18,503	13%
Shilpan P. Patel	49,66,346	35%	32,26,342	27%
Shilpan Patel (HUF)	10,79,180	8%	8,99,316	8%
	<b>90,63,745</b>	<b>64%</b>	<b>68,40,175</b>	<b>58%</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>18 Other Equity</b>		
General Reserve	18 (i) 200	200
Capital Reserve	18 (ii) 8,218	8,218
Securities Premium Reserve	18 (iii) 90,247	29,199
Retained Earnings	18 (iv) 3,37,283	3,23,640
	<b>4,35,948</b>	<b>3,61,257</b>
	As at	
	March 31, 2020	March 31, 2019
<b>Reserves and surplus</b>		
<b>18 (I) General reserve</b>		
Balance at the beginning of the year	200	200
Movement during the year	-	-
Balance as at the year end	<b>200</b>	<b>200</b>
<b>18 (ii) Capital reserve</b>		
Balance at the beginning of the year	8,218	8,218
Movement during the year	-	-
Balance as at the year end	<b>8,218</b>	<b>8,218</b>
<b>18 (iii) Securities premium reserve</b>		
Balance at the beginning of the year	29,199	29,199
Movement during the year	61,048	-
Balance as at the year end	<b>90,247</b>	<b>29,199</b>
<b>18 (iv) Retained earnings</b>		
Opening Balance at the beginning of the year	3,23,640	3,45,406
Add : Profit for the year	21,190	1,901
Less : Dividend paid	(5,870)	(23,479)
Opening Balance impact of IND AS 116	(1,555)	-
Items that will not be reclassified to profit or loss :		
- Remesurment of defined benefit obligation net of taxation	(122)	(188)
Balance as at the year end	<b>3,37,283</b>	<b>3,23,640</b>
	<b>4,35,948</b>	<b>3,61,257</b>
<b>Proposed dividend on equity shares not recognised</b>		
Final dividend for the year ended ₹ Nil per share (PY ₹ 0.50 per share )	-	5,870
Dividend distribution tax on proposed dividend	-	1,207
	-	<b>7,077</b>

**Note**
**Nature of reserves**
**a) General Reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss

**b) Capital Reserve**

The Capital reserve is created on account of forfeiture of share application money

**c) Securities Premium**

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

**d) Retained Earnings**

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>19 Borrowings</b>		
<b>Loan from Others (Secured)</b>		
Term Loan (Secured)	48,174	-
Less: Current Maturities	(8,491)	-
	<b>39,683</b>	<b>-</b>
Loan from a Non banking financial company of ₹ 48,174 (March 31, 2019 : ₹ Nil) carries interest @ 12.50% p.a. The loans are repayable in 60 monthly instalments along with interest starting from October 2019. The loan is secured by hypothecation of fixed assets acquired		
<b>20 Provisions</b>		
Provision for employee benefits		
Leave encashment (un funded) (Refer note 41)	1,443	1,643
	<b>1,443</b>	<b>1,643</b>
<b>21 Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	238	291
Total outstanding dues to others	24,548	30,528
	<b>24,786</b>	<b>30,819</b>
<b>22 Other financial</b>		
Current Maturities of Borrowing (Refer Note 19)	8,491	-
Interest Accrued but not due	98	-
Current Maturities of Lease Rent (Refer Note 3A)	3,609	-
Unclaimed Dividend ^	4,381	4,246
Employee Benefits Payable	2,837	2,871
Outstanding liability for expenses	8,528	4,295
Trade payable for capital goods (other than small and medium enterprises)		
- Dues to subsidiary (refer note 42)	5,594	5,438
- Dues to others	16,841	10,092
	<b>50,379</b>	<b>26,942</b>
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
<b>23 Provisions</b>		
Provision for employee benefits		
- Gratuity (funded) (Refer Note 41)	1,637	750
- Leave encashment (un funded) (Refer Note 41)	574	583
	<b>2,211</b>	<b>1,333</b>
<b>24 Other current liabilities</b>		
Statutory Dues Payable	1,546	2,199
Advances from customers	4,198	1,072
	<b>5,744</b>	<b>3,271</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>25 Revenue from operations</b>		
<u>Sale of products (net of sales return)</u>		
Finished goods	1,17,238	96,453
Traded goods	93,997	2,32,703
<u>Services rendered</u>		
Royalty Income - Patent (Refer Note 42)	1,02,671	1,04,754
Consulting Income	600	-
<u>Other Operating Revenue</u>		
Sale of scrap	12	100
Revenue from Operations	<b>3,14,518</b>	<b>4,34,011</b>
<b>Detail of Sale of Products / Services</b>		
<u>Finished goods sold</u>		
Water Soluble Films	1,09,233	96,453
Other Business	8,016	-
	<b>1,17,249</b>	<b>96,453</b>
<u>Traded goods sold</u>		
Cleaning Products	1,608	11,227
Other Business	92,390	2,21,476
	<b>93,997</b>	<b>2,32,703</b>
<b>26 Other Income</b>		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	2,676	5,241
From Non-current Equity instruments in Subsidiaries measured at cost (Refer Note 42)	8,818	60,610
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	837	199
On Loans and Deposits (Refer Note 42)	9,495	1,567
On Others	144	-
Foreign Exchange Gain (net)	336	1,437
Net Gain on Sale of non-current Investments in Mutual Fund	745	6,293
Miscellaneous Income	855	1,307
Gain on Forward Contract	-	10
Net Gain on Fair Valuation of non-current Investments in Mutual fund measured at Fair value through Profit and Loss	2,825	-
Service Fee	400	236
	<b>27,131</b>	<b>76,900</b>




**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>27 Cost of raw materials consumed</b>		
Inventory at the beginning of the year	12,248	8,272
Add: Purchases	30,304	40,645
Less: Material consumed By fire (Refer Note 32)	2,573	-
Less: Inventory at the end of the year	4,460	12,248
	<b>35,519</b>	<b>36,669</b>
<b>28 Change in inventory of finished goods, work-in-progress and stock in trade</b>		
Inventories at the end of the year		
Stock In Trade	16,540	21,398
Work-in-progress	4,789	11,821
Finished goods	4,671	9,102
Inventories at the beginning of the year		
Stock In Trade	21,398	12,239
Work-in-progress	11,821	16,963
Finished goods	9,102	6,825
	<b>16,321</b>	<b>(6,293)</b>
Less: Finished goods consumed By fire (Refer Note 32)	<b>23,597</b>	-
	<b>(7,276)</b>	<b>(6,293)</b>
<b>29 Employee benefits expense</b>		
Salary, Wages and Bonus	61,451	80,718
Contribution to Provident and other funds (Refer note 41)	1,778	2,314
Gratuity and Leave Encashment (Refer note 41)	1,483	2,140
Staff welfare expenses	1,428	2,054
	<b>66,140</b>	<b>87,226</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>30 Other expenses</b>		
Consumption of stores and spares	2,142	2,446
Repair and Maintenance - Building	200	626
Repair and Maintenance - Machinery	1,286	1,123
Repair and Maintenance - Other	245	1,838
Rent (refer note 38)	418	5,073
Insurance	913	646
Power and Fuel	21,162	22,956
Labour Charges	4,425	5,618
Factory Expenses	2,055	2,273
Selling and Promotion Expenses	1,195	1,491
Freight and Forwarding	5,803	6,094
Lease Rent and Hire Charges (refer note 38)	2,420	11,019
Postage and Telephone Expenses	1,033	1,907
Printing and Stationery	493	1,161
Travelling and Conveyance	10,154	22,394
Legal and Professional Charges	12,080	11,472
Patent Charges	2,981	4,724
Patent Development Expenses Written off	1,678	-
Donations	15	500
Right Issue Expenses (refer note 47)	2,437	-
Loss on Sale / Write-off of Fixed Assets (net)	59	-
Provision For Advances	583	649
Provision For Doubtful debts	5,653	2,492
Payment to Auditors (Exclusive of Goods and Services tax) (refer note no 33)	1,615	1,549
Corporate Social Responsibility Expense (refer note no 34)	750	2,100
Bank Charges	645	484
Loss on Forward Contract	10	-
Net Loss on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through Profit and Loss	-	3,824
Miscellaneous Expenses	8,635	4,862
	<b>91,086</b>	<b>1,19,321</b>
<b>31 Finance Cost</b>		
Interest on Secured Loan	3,279	-
Processing and Other Charges	55	-
Interest on Lease	901	-
Others	279	-
	<b>4,514</b>	<b>-</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>32 Exceptional Items</b>		
Loss by Fire*	3,220	-
	<b>3,220</b>	<b>-</b>
<p>* There was incidence of fire at one of the unit in factory of the Company located at Ankleshwar on October 30, 2019 in which certain tangible assets and inventories were damaged and destroyed. The Company has taken adequate insurance cover for tangible assets and inventories destroyed by fire. The Company has filed its insurance claim and does not expect significant impact on the Financials. Pending finalisation of insurance claim, the Company has written off inventories (including goods and service tax credit on inventories of ₹ 3,369) and written down value of tangible property, plant and equipment of ₹ 29,539 thousand and ₹ 34,856 thousand, respectively and also recognised insurance claim of ₹ 61,174 thousand and net impact of ₹ 3,220 thousand as exceptional item.</p>		
<b>33 Payment to Auditors (Exclusive of Goods and Services tax)</b>		
<b>As auditor</b>		
Auditors Remuneration	950	950
Tax audit fees	200	200
Limited review fees	300	300
<u>Other Capacity</u>		
Other services (Certification fees)	165	80
Reimbursement of expenses	-	19
	<b>1,615</b>	<b>1,549</b>
<b>34 Corporate Social Responsibility Expense</b>		
<u>Gross amount required to be spent during the year</u>		
Corporate Social Responsibility Expense	1,234	2,466
<u>Amount spent during the year (paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	750	2,100
<u>Amount spent during the year (yet to paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
	<b>750</b>	<b>2,100</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>35 Income taxes</b>		
<b>a. Income tax expense is as follows:</b>		
<b>Statement of Profit and Loss</b>		
<b>Current tax:</b>		
Tax for the year	4,933	11,010
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>4,933</b>	<b>11,010</b>
<b>Deferred tax:</b>		
Deferred tax expenses	(3,347)	(2,773)
<b>Total deferred tax expense</b>	<b>(3,347)</b>	<b>(2,773)</b>
<b>Income tax expense</b>	<b>1,586</b>	<b>8,237</b>
<b>Other comprehensive income</b>		
<b>Deferred tax related to OCI items:</b>		
Net loss on remeasurements of defined benefit plans	47	77
	<b>47</b>	<b>77</b>

**b. Reconciliation of effective tax rate**

A reconciliation of income tax expense as included in the statement of profit and loss to the amount computed by applying the weighted average enacted income tax rate to income before income taxes is summarized below:

	Year ended			
	March 31, 2020		March 31, 2019	
Profit before tax		22,776		10,138
Tax at the Indian tax rate	29.12%	6,632	29.12%	2,952
Tax effects on amounts which are not deductible (taxable) in calculating taxable income				
<b>Tax effect of:</b>				
Differences in tax rates in respect of dividend from foreign subsidiary & Short term capital gain on sale of Mutual Fund	6.76%	1,541	86.42%	8,761
Non-deductible expenses	-10.54%	(2,401)	-18.63%	(1,889)
Exempt income	-3.42%	(779)	-15.05%	(1,526)
Others	-14.96%	(3,407)	-0.60%	(61)
	<b>6.96%</b>	<b>1,586</b>	<b>81.25%</b>	<b>8,237</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**c. Deferred Tax Liabilities (net)**
**(i) Movement in deferred tax liabilities for the year ended March 31, 2020**

	Net balance March 31, 2019	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2020
Property, plant and equipment	3,434	(8,087)	-	(4,653)
Fair valuation of investments in mutual fund	2,806	504	-	3,310
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(2,962)	(405)	(47)	(3,414)
Others	347	653	-	1,000
MAT Credit	-	3,988	-	3,988
	<b>3,625</b>	<b>(3,347)</b>	<b>(47)</b>	<b>231</b>

**(ii) Movement in deferred tax liabilities for the year ended March 31, 2019**

	Net balance March 31, 2018	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2019
Property, plant and equipment	4,665	(1,231)	-	3,434
Fair valuation of investments in mutual fund	3,697	(891)	-	2,806
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(2,209)	(676)	(77)	(2,962)
Others	322	25	-	347
	<b>6,475</b>	<b>(2,773)</b>	<b>(77)</b>	<b>3,625</b>

	Year ended	
	March 31, 2020	March 31, 2019
<b>36 Earnings Per Share</b>		
Calculation of basic and diluted Earnings per share is as follows:		
Profit for the year attributable to Owners of the Company	21,190	1,901
Weighted average number of equity shares		
- Basic	1,18,23,575	1,17,39,948
- Diluted	1,18,23,575	1,17,39,948
Earnings per share (in ₹)		
- Basic	1.79	0.16
- Diluted	1.79	0.16


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>37 Contingent liabilities and Commitments</b>		
<u>Contingent Liabilities</u>		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 349 (Previous year: ₹ 349))	23,009	76,910
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 1,304 (Previous year: ₹ 1,304))	62,321	10,537
(c) Bank Guarantees given	14,400	10,291
	<b>1,00,730</b>	<b>97,738</b>

	As at	
	March 31, 2020	March 31, 2019
<b>38 Leases</b>		
Lease rent expenses for the year *	2,838	16,092

\*Lease Rent Expenses for March 31, 2020 include Rent on Machinery and Amortization of expenses of ₹ 2,420 (PY ₹ 11,019)

**39** Based on the guiding principles given in Ind AS 108 - "Operating segments", the Company is primarily engaged in the business of Manufacturing of Water Soluble Film. As the Company's business activity falls within a single primary business segment, the disclosure requirements of Ind AS-108 in this regard are not applicable.

**40 Micro, Small and Medium Enterprises**

To the extent, the Company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

	As at	
	March 31, 2020	March 31, 2019
Principal amount remaining unpaid at the end of the year	204	291
Interest due thereon	34	19
Interest remaining accrued and unpaid at the end of the year	34	19
Total Interest accrued and remained unpaid at year end	34	19

**41 Employee benefit obligations**
**i) Defined Contribution Plans**

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Contribution to Defined Contribution Plans, recognized as expense for the year as under:

	Year ended	
	March 31, 2020	March 31, 2019
Employer's Contribution to Provident Fund	1,515	1,943
Employer's Contribution to Employees State Insurance Corporation	263	371


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**I) Defined Benefits Plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company, is deducted from the gross obligation.

The following table sets forth the status of the gratuity plan of the Company, and the amounts recognized in the Balance sheet and Statement of Profit and Loss.

**Funding :**

The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees

Reconciliation of the net defined benefit obligation:	Year ended	
	March 31, 2020	March 31, 2019
Opening defined benefit obligation	6,429	5,380
Benefits paid	(104)	(97)
Current service cost	585	509
Interest cost	500	419
Past service cost	-	-
Actuarial losses / (gain) recognized in other comprehensive income changes in financial assumptions	393	4
experience adjustments	(686)	215
<b>Closing defined benefit obligation</b>	<b>7,117</b>	<b>6,429</b>

Reconciliation of the fair value of plan assets:	Year ended	
	March 31, 2020	March 31, 2019
Opening fair value of plan assets	5,679	3,308
Interest Income	441	257
Employer contributions	(413)	2,257
Benefits paid	(104)	(97)
Actuarial gains on Plan Assets	(125)	(45)
<b>Closing fair value of plan assets</b>	<b>5,480</b>	<b>5,679</b>

Balance sheet reconciliation	As at	
	March 31, 2020	March 31, 2019
Opening defined benefit obligation	6,429	5,380
Opening fair value of plan assets	(5,679)	(3,308)
Expenses recognised in profit and loss	643	670
Expenses recognised in Other Comprehensive Income	(169)	265
Employer contributions	413	(2,257)
Benefits paid	-	-
<b>Net (Asset) / Liability recognised in the Balance Sheet</b>	<b>1,637</b>	<b>750</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**Expenses recognised in Statement of Profit and Loss:**

	Year ended	
	March 31, 2020	March 31, 2019
Current service cost	585	509
Interest cost	58	161
	<b>643</b>	<b>670</b>

**Remeasurements recognised in other comprehensive income**

	Year ended	
	March 31, 2020	March 31, 2019
Actuarial (gain) loss on defined benefit obligation	(294)	219
Return on plan assets excluding interest income	125	45
	<b>(169)</b>	<b>265</b>

**Analysis of plan assets**

	As at	
	March 31, 2020	March 31, 2019
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	<b>100%</b>	<b>100%</b>

**Maturity profile of defined benefit obligation**

	As at	
	March 31, 2020	March 31, 2019
1 Year	2,601	2,194
2 to 5 years	988	986
6 to 10 years	3,075	1,853
More than 10 years	6,286	8,025

**Actuarial assumption**

Principal actuarial assumption used to determine net periodic benefit cost and benefit obligation at the reporting dates;

	As at	
	March 31, 2020	March 31, 2019
Discount Rate (p.a.)	6.84%	7.77%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected rate of return on assets	6.84%	7.77%
Attrition rate	Service < 5-10% Service >=5-3%	Service < 5-10% Service >=5-3%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA




**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**Notes :**

**Salary escalation rate:** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below;

	Year ended	
	March 31, 2020	March 31, 2019
Projected Benefit Obligation on Current Assumptions	7,117	6,429
Discount Rate: 1% increase	(420)	(383)
Discount Rate: 1% decrease	489	445
Future salary growth: 1% increase	322	301
Future salary growth: 1% decrease	(281)	(264)
Change in Rate of Employee Turnover : 1% Increase	140	167
Change in Rate of Employee Turnover : 1% Decrease	(160)	(191)

**iii) Compensated absences**

The Company accrues for the compensated absences, a long term employee benefit plan based on the entire available leave balance standing to the credit of the employees at year end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation as at the Balance sheet date and is charged to Statement of profit and loss in the period determined. The provision as at balance sheet dates are as follows:

	Year ended	
	March 31, 2020	March 31, 2019
Compensated absences liability	2,017	2,226

**Actuarial assumption**

	As at	
	March 31, 2020	March 31, 2019
Discount rate	6.84%	7.77%
Long-term rate of compensation increase	5.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 840 (PY ₹1,470)


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**42 Related party disclosures**
**a) Related parties and their relations**

<b>Name of Related Party</b>	<b>Relationship</b>
Arrow Green Technologies (UK) Limited Arrow Secure Technology Private Limited Avery Pharmaceuticals Private Limited LQ Arrow Security Products (India) Private Limited	Subsidiary Company
Advance IP Technologies Limited	Step Down Subsidiary Company
SP Arrow Bio Polymer Products Private Limited Sphere Bio Polymer Private Limited	Associate Company
Mr. Shilpan P. Patel - Managing Director Mr. Neil Patel - Joint Managing Director Mr. Hitesh Punglia - Chief Financial Officer Mrs. Poonam Bansal - Company Secretary	Key Management Personnel (KMP)
Mrs. Jigisha S Patel Mrs. Manisha Sindhi	Relative of key management personnel Relative of key management personnel
Soluble System Private Ltd. Arrow Convertors Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**b) Transaction with Related Parties & Outstanding Balance as on March 31, 2020 and March 31, 2019 :**

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b><u>Arrow Green Technologies (UK) Limited</u></b>				
Royalty Income - Patent	58,031	59,209	-	-
Sale of Finished Goods	182	7,606	62	455
Dividend Income	8,818	60,610	-	-
<b><u>Advance IP Technologies Limited</u></b>				
Royalty Income - Patent	44,640	45,545	-	-
Purchase of Machinery	-	5,388	(5,594)	(5,438)
<b><u>Avery Pharmaceuticals Private Limited</u></b>				
Loan given to Avery Pharmaceuticals Private Limited	82,900	47,000	1,24,900	42,000
Loan re-paid by Avery Pharmaceuticals Private Limited	-	5,000	-	-
Interest on Loan given	9,132	1,180	9,398	1,180
Sale of Product Development	-	3,503	-	3,503
Sale of Services	400	236	-	236
<b><u>Soluble System Private Ltd.</u></b>				
Sale of Cleaning Product	1,395	-	17	-
<b><u>Mr. Shilpan P. Patel</u></b>				
Rent Expenses	1,080	1,080	(538)	(745)
<b><u>Arrow Convertors Private Limited</u></b>				
Rent Expenses	540	540	-	-
<b><u>Investment in subsidiaries</u></b>				
Arrow Green Technologies (UK) Limited	-	-	1,602	1,602
Avery Pharmaceuticals Private Limited	-	-	2,475	2,475
LQ Arrow Security Products (India) Private Limited	2,550	-	3,825	1,275
<b><u>Remuneration to Key Managerial Personnel &amp; Relatives</u></b>				
Mr. Shilpan P. Patel - Managing Director	6,831	7,500	-	-
Mr. Neil Patel - Joint Managing Director	7,500	7,500	-	-
Mr. Hitesh Punglia - Chief Financial Officer	4,941	4,941	-	-
Mrs. Poonam Bansal - Company Secretary	981	975	-	-
Mrs. Jigisha S Patel	621	741	-	-
Mrs. Manisha Sindhi	767	200	-	-



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### 43 Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

A	As at March 31, 2019	Carrying value			Fair value			
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
<b>Financial assets:</b>								
<b>Non Current Financial Assets</b>								
	Investments	-	1,16,961	-	1,16,961	1,16,961	-	-
	Loans	47,079	-	-	47,079	-	-	-
	Other financial asset	1,597	-	-	1,597	-	-	-
<b>Current Financial Assets</b>								
	Trade Receivables	70,398	-	-	70,398	-	-	-
	Cash and cash equivalents	30,200	-	-	30,200	-	-	-
	Bank balances other than Cash and cash equivalents	6,401	-	-	6,401	-	-	-
	Loans	977	-	-	977	-	-	-
	Other financial assets	142	-	-	142	-	-	-
	<b>Total</b>	<b>1,56,794</b>	<b>1,16,961</b>	<b>-</b>	<b>2,73,755</b>	<b>1,16,961</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities:</b>								
	Trade payables	30,819	-	-	30,819	-	-	-
	Other financial liabilities	26,942	-	-	26,942	-	-	-
	<b>Total</b>	<b>57,761</b>	<b>-</b>	<b>-</b>	<b>57,761</b>	<b>-</b>	<b>-</b>	<b>-</b>


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

B As at March 31, 2020	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
<b>Financial assets:</b>							
<b>Non Current Financial Assets</b>							
Investments	-	97,600	-	97,600	97,600	-	-
Loans	1,39,154	-	-	1,39,154	-	-	-
Other financial asset	903	-	-	903	-	-	-
<b>Current Financial Assets</b>							
Trade Receivables	26,299	-	-	26,299	-	-	-
Cash and cash equivalents	25,160	-	-	25,160	-	-	-
Bank balances other than							
Cash and cash equivalents	91,399	-	-	91,399	-	-	-
Loans	2,179	-	-	2,179	-	-	-
Other financial assets	422	-	-	422	-	-	-
<b>Total</b>	<b>2,85,516</b>	<b>97,600</b>	<b>-</b>	<b>3,83,116</b>	<b>97,600</b>	<b>-</b>	<b>-</b>
Borrowings	39,683	-	-	39,683	39,683	-	-
<b>Financial liabilities:</b>							
Trade payables	24,786	-	-	24,786	-	-	-
Other financial liabilities	50,379	-	-	50,379	-	-	-
<b>Total</b>	<b>1,14,848</b>	<b>-</b>	<b>-</b>	<b>1,14,848</b>	<b>39,683</b>	<b>-</b>	<b>-</b>

During the reporting period ended 31 March 2020 and 31 March 2019, there was no transfer between level 2 and level 3 fair value measurements.

**44 Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

**i) Credit risk**

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk that company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increases in credit risk on other financial instruments of the same counterparty,

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Credit terms are in line with industry trends.

### Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows

	As at	
	March 31, 2020	March 31, 2019
Less than 180 days	18,484	67,134
From 181 - 365 days	8,028	2,577
More than 365 days	7,337	5,076
<b>Total</b>	<b>33,849</b>	<b>74,787</b>
Less : Provision for Doubtful Debts	7,550	4,389
<b>Total</b>	<b>26,299</b>	<b>70,398</b>

Expected credit loss assessment for customers as at March 31, 2019 and March 31, 2020

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

### The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows

	Amount
<b>Balance as at April 1, 2018</b>	<b>1,897</b>
Impairment loss recognised	2,492
Amounts written off / written back	-
<b>Balance as at March 31, 2019</b>	<b>4,389</b>
Impairment loss recognised	3,161
Amounts written off / written back	-
<b>Balance as at March 31, 2020</b>	<b>7,550</b>



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### Cash and bank balance

The Company held cash and bank balance with credit worthy banks and financial institutions of ₹ 1,16,559 and ₹ 36,601 as at March 31, 2020 and March 31, 2019, respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

### ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on

	As at March 31, 2020		As at March 31, 2019	
	Less than 1 year	1 to 4 years	Less than 1 year	1 to 4 years
<b>Non derivative</b>				
Borrowing (Including Interest)	14,174	49,608		
Trade payables	24,786	-	30,819	-
Other financial liabilities	41,790	-	26,942	-
Bank Guarantee given	3,170	11,230	6,116	4,175

### iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and payables.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and ensuring compliance with market risk limits and policies.



## Notes to the financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### a) Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk. The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Foreign currency exposure	US\$	EUR	GBP	Total
<b>March 31, 2020</b>				
<b>Financial assets</b>				
Trade receivables	6,728	12,454	62	19,244
<b>Net exposure to foreign currency risk (assets)</b>	<b>6,728</b>	<b>12,454</b>	<b>62</b>	<b>19,244</b>
<b>Financial Liabilities</b>				
Trade payables	14,660	2,976	709	18,345
Trade payables for capital Goods	-	-	14,901	14,901
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>14,660</b>	<b>2,976</b>	<b>15,611</b>	<b>33,247</b>
<b>Rupee Conversion Rate</b>	<b>75.39</b>	<b>83.05</b>	<b>93.08</b>	
<b>March 31, 2019</b>				
<b>Financial assets</b>				
Trade receivables	1,834	2,129	457	4,420
<b>Net exposure to foreign currency risk (assets)</b>	<b>1,834</b>	<b>2,129</b>	<b>457</b>	<b>4,420</b>
<b>Financial Liabilities</b>				
Trade payables	8,110	6,252	4,900	19,262
Less: Forward against Import	(2,179)	(5,389)	-	(7,568)
Other financial liabilities	-	-	5,438	5,438
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>5,931</b>	<b>863</b>	<b>10,338</b>	<b>17,132</b>
<b>Rupee Conversion Rate</b>	<b>69.17</b>	<b>77.70</b>	<b>90.48</b>	-

### Foreign currency sensitivity

The table below demonstrates sensitivity impact on profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

Foreign currency	March 31, 2020		March 31, 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	(79.32)	79.32	(11.68)	11.68
EUR	(94.78)	94.78	5.48	(5.48)
GBP	(155.49)	155.49	(7.26)	7.26
<b>Increase / (decrease) in profit and loss</b>	<b>(329.59)</b>	<b>329.59</b>	<b>(13.46)</b>	<b>13.46</b>

### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company main interest rate risk arises from long-term borrowings with fixed rates.

The company's borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.




**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at	
	March 31, 2020	March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	48,174	-
<b>Total borrowings</b>	<b>48,174</b>	<b>-</b>

**45 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment (refer note 18) ratio to shareholders, return capital to shareholders or issue fresh shares. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio are as follows.

	As at	
	March 31, 2020	March 31, 2019
Borrowings		
Long term and Short term borrowings	39,683	-
Current maturities of Long term borrowings	8,491	-
Less: Cash and cash equivalents	(25,160)	(30,200)
Adjusted net debt	23,014	(30,200)
<b>Total Equity</b>	<b>576,827</b>	<b>478,656</b>
Adjusted net debt to equity ratio	0.04	-

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

**46 In compliance with Ind AS 27 "Separate Financial Statements" the required information is as under**

Subsidiaries	Principal place of business/country of incorporation	Percentage of ownership	
		Interest as on	
		31-Mar-20	31-Mar-19
Arrow Green Technologies (UK) Limited	United Kingdom	100	100
Advance IP Technologies Limited	United Kingdom	95	95
Arrow Secure Technology Private Limited	India	100	100
Avery Pharmaceuticals Private Limited	India	99	99
LQArrow Security Products (India) Private Limited	India	51	51


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

Associates	Principal place of business/country of incorporation	Percentage of ownership	
		Interest as on	
		31-Mar-20	31-Mar-19
SP Arrow Bio Polymer Products Private Limited	India	46	46
Sphere Bio Polymer Private Limited	India	49	49

**47 Statement of right issue proceeds**

On March 19, 2020 the Company has allotted 23,47,990 fully paid-up Equity Shares of face value ₹10 each ("Equity Shares") at an issue price of ₹36/- (including a premium of ₹26/- per Equity Share) for cash to the existing equity shareholders in the ratio of 1 (One) fully paid up Equity Shares for every 5 (Five) fully paid Equity Shares held by the existing equity shareholders on Rights basis.

There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

Pursuant to IND AS 33, basic and diluted earnings per share have been adjusted in respect of right issue made during the year ended 31<sup>st</sup> Mar 2020.

Particulars	Amount as per prospectus	Amount to be utilised
Gross proceeds from right issue	84,528	84,528
Less : - Right issue expenses	2,700	2,437
<b>Net proceeds from Right issue</b>	<b>81,828</b>	<b>82,091</b>

Utilisation of Right issue proceeds

(₹ in '000)

Particulars	Amount to be utilised	Amount utilised	Pending utilisation
Capex for ACT (Anti Counterfiet Thread) Project	10,000	-	10,000
Loan to Avery Pharma for Pharma Project	30,000	20,004	9,996
Working Capital Requirement	25,000	-	25,000
Other General Corporate uses	17,091	-	17,091
<b>Total</b>	<b>82,091</b>	<b>20,004</b>	<b>62,087</b>

48 Based on its initial assessment, the Management is consciously optimistic that there may not be any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects of COVID-19 on the carrying amounts of property, plant and equipment, patents, inventory and trade receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are generally recoverable. Having regard to the above, and the Company's operating efficiency and gradually improving liquidity position, there may not be material uncertainty generally in meeting the financial obligations over the foreseeable future.

49 Comparative previous year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary to confirm to current year's classification and presentation

**For and on behalf of the Board of Directors of  
Arrow Greentech Limited**

**Shilpan Patel**  
Managing Director  
DIN No - 00341068

**Neil Patel**  
Jt. Managing Director  
DIN No - 00607101

**Hitesh Punglia**  
Chief Financial Officer

**Poonam Bansal**  
Company Secretary

Place : Mumbai  
Date : June 30, 2020



# FINANCIAL STATEMENTS CONSOLIDATED



## INDEPENDENT AUDITOR'S REPORT

**To the Members of Arrow Greentech Limited**

**Report on the Audit of the Consolidated Ind AS Financial Statements**

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Arrow Greentech Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS 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 Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act, of the consolidated state of affairs of the Group and its associates as at March 31, 2020, their consolidated loss (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to Note 51 to the accompanying consolidated Ind AS financial statements which explains the uncertainties and the Management's evaluation of the financial impact on the Group and its associates due to lockdown and other restrictions on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

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

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



### **Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, have 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 ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **Other Matter**

We did not audit the Ind AS financial statements of five (5) subsidiaries (including one step down subsidiary), whose Ind AS financial statements reflects total assets of Rs. 3,77,850 thousands and net assets of Rs. 2,18,599 thousands as at March 31, 2020, total revenues of Rs. 10,871 thousands and net cash outflow amounting to Rs. 77,860 thousands for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries and associates, as noted in the Other Matters section above we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies, incorporated in India, none of the directors of the Group companies and its associate companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";



- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, the remuneration paid/ provided to their directors during the year by the Holding Company, subsidiary companies, and associate companies incorporated in India is in accordance with the provisions of section 197 of the Act;

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 38 to the consolidated Ind AS financial statements;
  - (ii) The Group and its associates did not have any material foreseeable losses on long term contracts including derivative contracts;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.

**For Haribhakti & Co. LLP**

Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

**Snehal Shah**

Partner  
Membership No. 048539  
UDIN: 20048539AAAABO4217

Place: Mumbai  
Date: June 30, 2020



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the consolidated Ind AS financial statements for the year ended March 31, 2020]

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Arrow Greentech Limited ("Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls with reference to financial statements of Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company, its subsidiary companies and its associate companies.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our aforesaid reports under section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to three subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

### **For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

### **Snehal Shah**

Partner

Membership No. 048539

UDIN: 20048539AAAABO4217

Place: Mumbai

Date: June 30, 2020



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

Particulars	Notes	Year Ended	
		March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,48,832	2,11,100
Right of Use assets	3A	13,252	-
Capital work-in-progress	3	89,143	14,441
Other Intangible assets	3	13,423	15,751
Intangible assets under development	3	8,359	9,751
Investment Property	4	1,352	1,421
<b>Financial assets</b>			
(i) Investments	5	1,45,037	1,66,017
(ii) Loans	6	5,617	4,517
(iii) Other Financial Asset	7	903	6,397
Deferred Tax Assets (Net)	36(c)	3,825	-
Income tax assets (Net)	8	12,376	11,736
Other non - current assets	9	63,372	67,312
<b>Total Non- current assets</b>		<b>6,05,491</b>	<b>5,08,443</b>
<b>Current assets</b>			
Inventories	10	33,163	58,898
<b>Financial assets</b>			
(i) Trade Receivables	11	33,456	76,021
(ii) Cash and cash equivalents	12	96,135	1,77,018
(iii) Bank balances other than (ii) above	13	91,399	6,401
(iv) Loans	14	2,179	1,049
(v) Other financial assets	15	1,850	186
Other current assets	16	52,752	37,571
<b>Total current assets</b>		<b>3,10,934</b>	<b>3,57,144</b>
<b>TOTAL ASSETS</b>		<b>9,16,425</b>	<b>8,65,587</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	1,40,879	1,17,399
Other Equity	18	6,18,690	6,61,183
<b>Equity attributable to owners</b>		<b>7,59,569</b>	<b>7,78,582</b>
Non controlling interest		16,264	16,310
<b>Total Equity</b>		<b>7,75,833</b>	<b>7,94,892</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	39,683	369
Provisions	20	1,443	1,643
Deferred tax liabilities (Net)	36(c)	230	3,736
Other non-current liabilities	21	11,593	-
<b>Total Non current Liabilities</b>		<b>52,949</b>	<b>5,748</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables	22		
- Total outstanding dues to Micro and Small Enterprises		240	291
- Total outstanding dues to others		26,495	33,985
(ii) Other financial liabilities	23	52,074	25,550
Provisions	24	2,211	1,333
Other current liabilities	25	6,623	3,788
<b>Total current Liabilities</b>		<b>87,643</b>	<b>64,947</b>
<b>Total Liabilities</b>		<b>1,40,592</b>	<b>70,695</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,16,425</b>	<b>8,65,587</b>
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements (1-52).

**As Per our report of even date.**

**For Haribhakti & Co LLP**

Chartered Accountants

ICAI FRN No. 103523W / W100048

**Snehal Shah**

Partner

Membership No. 048539

Place : Mumbai

Date : June 30, 2020

**For and on behalf of the Board of Directors of  
Arrow Greentech Limited**

**Shilpan Patel**

Managing Director

DIN No - 00341068

**Hitesh Punglia**

Chief Financial Officer

**Neil Patel**

Jt. Managing Director

DIN No - 00607101

**Poonam Bansal**

Company Secretary


**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**  
 (All amounts in Indian ₹ in thousand unless otherwise stated)

Particulars	Notes	Year ended	
		March 31, 2020	March 31, 2019
<b>INCOME</b>			
Revenue from operations	26	2,22,611	3,42,922
Other Income	27	15,665	16,169
<b>TOTAL INCOME</b>		<b>2,38,276</b>	<b>3,59,091</b>
<b>Expenses</b>			
Cost of raw materials consumed	28	35,518	36,668
Purchase of stock-in-trade		93,330	2,29,437
Change in inventory of finished goods, work-in-progress and stock in trade	29	(6,020)	(8,950)
Employee benefits expense	30	72,358	92,418
Depreciation and amortisation expense	3-4	35,660	37,012
Finance Cost	31	5,887	-
Other expenses	32	1,03,049	1,42,989
<b>TOTAL EXPENSES</b>		<b>3,39,782</b>	<b>5,29,574</b>
<b>Profit/ (Loss) before exceptional Items and tax</b>		<b>(1,01,506)</b>	<b>(1,70,483)</b>
Exceptional Items	33	3,220	-
<b>Profit/ (Loss) before tax</b>		<b>(1,04,726)</b>	<b>(1,70,483)</b>
<b>Income tax expense</b>	36		
Current Tax		4,933	11,010
Adjustment of tax relating to earlier periods (net)		(234)	(9,013)
Deferred Tax		(7,283)	(3,817)
<b>Total tax expense</b>		<b>(2,584)</b>	<b>(1,820)</b>
<b>Profit/ (Loss) after tax</b>		<b>(1,02,142)</b>	<b>(1,68,663)</b>
<b>Other comprehensive income :</b>			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		4,674	(7,484)
(ii) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations gains / (loss)		(169)	(265)
- Income tax relating to the above items		47	77
		(122)	(188)
Other comprehensive income for the year, net of tax		4,552	(7,672)
<b>Total comprehensive income for the year</b>		<b>(97,590)</b>	<b>(1,76,335)</b>
<b>Profit/ (Loss) attributable to:</b>			
Owners of equity		(99,647)	(1,66,802)
Non-controlling interest		(2,495)	(1,861)
		<b>(1,02,142)</b>	<b>(1,68,663)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of equity		(95,095)	(1,74,474)
Non-controlling interest		(2,495)	(1,861)
		<b>(97,590)</b>	<b>(1,76,335)</b>
<b>Earnings per equity share</b>			
Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2019 : ₹ 10)]	37	(8.43)	(14.21)

The accompanying notes are an integral part of these financial statements (1-52).

**As Per our report of even date.**
**For Haribhakti & Co LLP**

Chartered Accountants  
ICAI FRN No. 103523W / W100048

**Snehal Shah**

Partner  
Membership No. 048539

Place : Mumbai  
Date : June 30, 2020

**For and on behalf of the Board of Directors of  
Arrow Greentech Limited**

**Shilpan Patel**  
Managing Director  
DIN No - 00341068

**Hitesh Punglia**  
Chief Financial Officer

**Neil Patel**  
Jt. Managing Director  
DIN No - 00607101

**Poonam Bansal**  
Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Operating activities</b>		
Profit/ (Loss) before tax after exceptional items	(1,04,726)	(1,70,483)
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	35,660	37,012
Loss by fire	3,220	-
Fair value gain on non-current investments	(2,832)	(1,263)
Provision For Doubtful Debt	5,653	2,492
Provision For Doubtful Advances	583	649
Loss on Sale of Property, plant and equipment	59	-
Finance Cost	5,887	-
Net gain on sale of Long term Investments	(2,518)	(7,540)
Interest Income	(1,641)	(932)
Dividend Income	(2,775)	(5,346)
Unrealised Foreign Exchange gain	(344)	429
	(63,774)	(1,44,982)
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in Loans and Advances	(2,230)	(69)
Decrease/ (Increase) in non-current assets	64,472	(38)
Decrease / (Increase) in trade receivables	38,190	1,464
Decrease/ (Increase) in current assets	(16,753)	(4,095)
Decrease/ (Increase) in Inventories	(3,804)	(12,789)
Increase/ (Decrease) in provisions	509	(429)
Increase/ (Decrease) in trade payables	(8,191)	8,722
Increase/ (Decrease) in other financial Liabilities	18,118	3,204
Increase/ (Decrease) in other Liabilities	12,459	(8,895)
	38,996	(1,57,906)
Income tax paid	(5,339)	(6,560)
<b>Net Cash Flow from/ (Utilised in) operating activities</b>	<b>(A)</b>	<b>(1,64,466)</b>
<b>Investing activities</b>		
Purchase of Fixed assets including CWIP	(1,86,844)	(65,941)
Proceeds from Long term Borrowing	52,131	-
Repayment of Long term Borrowing	(4,326)	(138)
Proceeds from disposal of property, plant and equipment	549	-
Maturity of mutual fund investment, net	26,330	1,37,420
Investments in Bank deposits	(79,504)	(1,492)
Dividend Received	2,779	5,926
Interest Received	1,544	923
<b>Net cash flows from/ (Utilised in) investing activities</b>	<b>(B)</b>	<b>76,698</b>
<b>Financing activities:</b>		
Proceeds from issues of shares	84,528	-
Finance cost Paid	(5,886)	-
Dividend paid, including dividend tax	(5,841)	(25,738)
<b>Net cash from/ (utilised in) financing activities</b>	<b>(C)</b>	<b>(25,738)</b>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(80,883)</b>	<b>(1,13,506)</b>
Effect of exchange difference on Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the year	1,77,018	2,90,524
<b>Cash and Cash equivalents at the end of the year (refer note - 13)</b>	<b>96,135</b>	<b>1,77,018</b>



Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
<b>Components of closing cash and cash equivalents</b>		
Cash on hand	415	347
Remittance in Transit		
Balances with Banks		
In Current Accounts	95,720	1,54,171
Deposits with original maturity of less than 3 months	-	22,500
Cash and Cash equivalents at the end of the year	<b>96,135</b>	<b>1,77,018</b>

Particulars	Balance as at 01-Apr-19	Cash flows	Balance as at 31-Mar-20
Non current borrowings (including Current Maturity), refer note 19	369	47,805	48,174
Current borrowings	-	-	-
Total	369	47,805	48,174

**Notes :**

Above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow"

The accompanying notes are an integral part of these financial statements (1-52).

**As Per our report of even date.****For Haribhakti & Co LLP**

Chartered Accountants  
ICAI FRN No. 103523W / W100048

**Snehal Shah**

Partner  
Membership No. 048539

Place : Mumbai

Date : June 30, 2020

**For and on behalf of the Board of Directors of  
Arrow Greentech Limited****Shilpan Patel**

Managing Director  
DIN No - 00341068

**Hitesh Punglia**

Chief Financial Officer

**Neil Patel**

Jt. Managing Director  
DIN No - 00607101

**Poonam Bansal**

Company Secretary


**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED March 31, 2020**  
 (All amounts in Indian ₹ in thousand unless otherwise stated)

**a. Equity shares of ₹ 10 each issued, subscribed and fully paid**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning	1,17,39,948	1,17,399	1,17,39,948	1,17,399
Changes in equity share capital during the year (Refer Note 17 (c))	23,47,990	23,480	-	-
<b>Balance at the end</b>	<b>1,40,87,938</b>	<b>1,40,879</b>	<b>1,17,39,948</b>	<b>1,17,399</b>

**b. Other Equity**

	Attributable to owners							
	Reserves and Surplus				Other Reserves			
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Currency Translation Reserve	Total other equity	Non Controlling interest	Total
<b>Balance at March 31, 2018</b>	<b>29,199</b>	<b>8,218</b>	<b>200</b>	<b>8,18,884</b>	<b>2,639</b>	<b>8,59,140</b>	<b>19,707</b>	<b>8,78,847</b>
Profit / (Loss) for the year	-	-	-	(1,66,802)	-	(1,66,802)	(1,861)	(1,68,663)
Other comprehensive income (net of tax)	-	-	-	(188)	(7,484)	(7,672)	-	(7,672)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,66,990)</b>	<b>(7,484)</b>	<b>(1,74,474)</b>	<b>(1,861)</b>	<b>(1,76,335)</b>
<b>Transactions with owners of company</b>								
Dividend	-	-	-	(23,483)	-	(23,483)	(2,769)	(26,252)
Equity Contribution by Non controlling Interest	-	-	-	-	-	-	1,233	1,233
<b>Balance at March 31, 2019</b>	<b>29,199</b>	<b>8,218</b>	<b>200</b>	<b>6,28,411</b>	<b>(4,845)</b>	<b>6,61,183</b>	<b>16,310</b>	<b>6,77,493</b>
Profit / (Loss) for the year	-	-	-	(99,647)	-	(99,647)	(2,495)	(1,02,142)
Other comprehensive income (net of tax)	-	-	-	(122)	4,674	4,552	-	4,552
Addition during the Year - Right Issue (Refer Note 17 (c))	61,048	-	-	-	-	61,048	-	61,048
Opening Balance impact of IND AS 116	-	-	-	(2,605)	-	(2,605)	-	(2,605)
Dividends	-	-	-	(5,841)	-	(5,841)	-	(5,841)
Equity Contribution by Non controlling Interest	-	-	-	-	-	-	2,450	2,450
<b>Balance at March 31, 2020</b>	<b>90,247</b>	<b>8,218</b>	<b>200</b>	<b>5,20,196</b>	<b>(171)</b>	<b>6,18,690</b>	<b>16,264</b>	<b>6,34,955</b>

The accompanying notes are an integral part of these financial statements (1-52).

**As Per our report of even date.**

**For Haribhakti & Co LLP**  
 Chartered Accountants  
 ICAI FRN No. 103523W / W100048

**Snehal Shah**  
 Partner  
 Membership No. 048539

Place : Mumbai  
 Date : June 30, 2020

**For and on behalf of the Board of Directors of  
 Arrow Greentech Limited**

**Shilpan Patel**  
 Managing Director  
 DIN No - 00341068

**Hitesh Punglia**  
 Chief Financial Officer

**Neil Patel**  
 Jt. Managing Director  
 DIN No - 00607101

**Poonam Bansal**  
 Company Secretary



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### 1. Corporate Information

Arrow Greentech Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. Its shares are listed on BSE & NSE in India. The company is engaged in business of bio-degradable products and having Patents income for such products/technology. The company caters to both domestic and international markets.

### 2. Significant Accounting Policies

#### A Basis of accounting and preparation of Financial Statements:

##### Compliance with Indian Accounting Standards (Ind AS):

These Consolidated Ind AS Financial Statements ("Consolidated Financial Statements") of the Company and its subsidiaries ("the Group"), have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These Consolidated Financial Statements were authorized for issue by the Company's Board of Directors on June 30, 2020.

##### Functional and Presentation Currency

These Consolidated Financial Statements are presented in Indian rupees, which is the functional currency of the parent Company. All financial information presented in Indian rupees has been rounded to the nearest thousand, except otherwise indicated

##### Basis of measurement

These Consolidated Financial Statements are prepared under the historical cost convention unless otherwise indicated.

##### Use of Estimates and Judgements

The preparation of the Consolidated Financial Statements in conformity with Ind AS requires Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the Consolidated Financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the year in which the results are known/ materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

##### The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligations (Refer note 42)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 38)
- Estimation of Tax expenses and Liability (Refer note 8 and 36)
- Useful lives of property, plant, equipment and intangibles (Refer note 3)
- Right to use (Refer note 3A)
- Impairment of financial assets such as trade receivables (Refer note 45)
- Revenue recognition

#### B Principles of consolidation:

##### i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

##### ii) Non – Controlling Interest (NCI)

The non-controlling interests comprise the portion of equity of subsidiaries that are not owned, directly or indirectly, by the Group.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

### (All amounts in Indian ₹ in thousand unless otherwise stated)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the Statement of Profit and Loss, consolidated statement of changes in equity and balance sheet respectively.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### iii) Loss of Control

When a Group loses control over a subsidiary, it derecognises the assets and the liabilities of the subsidiaries, and any NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

#### iv) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share or profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

#### v) Transactions eliminated on consolidation

Intra-group balance and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

### C Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the group is expected to be entitled to in exchange for those goods or services.

The group recognizes provision for sales return, based on the historic results, measured on net basis of the margin of the sale. Therefore, a refund liability, included in other current liabilities, are recognized for the products expected to be returned.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

- i) Sale of products: Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.
- ii) Rendering of services: Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered.
- iii) Dividend income : Dividends are recognised in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.
- iv) Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.





## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### D Property, Plant and Equipment, Depreciation and Impairment:

#### i) Recognition and measurement:

Property, plant and equipment are measured at cost / deemed cost, less accumulated depreciation and impairment losses, if any. Cost of Property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated attributable costs of dismantling and removing the asset and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Gains or losses arising from derecognition of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed of

#### ii) Depreciation:

Depreciation on Property, Plant and Equipment has been provided on written down value basis and manner prescribed in Schedule II to the Companies Act 2013. Leasehold Land on a straight line basis over the period of lease.i.e.99 years

#### iii) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a Straight Line Basis over their estimated useful lives. Costs related to patents are written off over the remaining useful life from the day of grant. Computer Softwares are amortized over a period of 3 years from the date of acquisition.

Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

#### iv) Capital work in Progress

Expenditure during the construction/ pre-operative period is included under Capital Work-in-Progress and same is allocated to the respective Property, Plant and Equipment on the completion of project

### E Investment Property

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course of business nor used in production or supply of goods or services or for administrative purposes. Investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Based on technical evaluation and consequent advice, the management believes a period of 54 years as representing the best estimate of the period over which investment property are expected to be used. Accordingly, the Group depreciates investment properties over a period of 54 years on a written down value basis.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the Investment Property is recognised in Statement of Profit and Loss.

Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property valued.

### F Research and Development Cost:

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a products' technical feasibility has been established, in which case such expenditure is capitalized.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

### (All amounts in Indian ₹ in thousand unless otherwise stated)

Product development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefit are probable, the Group has intention and ability to complete and use or sell the assets and cost can be measured reliably.

The amount capitalized comprise expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Capitalised product development costs are recorded as intangible assets and amortised from the useful life as estimated by the management. Property, Plant and Equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment.

### G Impairment of Assets:

#### i) Financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at FVOCI. Loss allowances on trade receivables are measured following the 'simplified approach' at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

#### ii) Non-financial assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). The impairment loss is recognised as an expense in the Statement of Profit and Loss.

### H Investments:

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the long term investments.

### I Inventories:

- i) Raw Materials, packing materials, Stores and Spares are valued at lower of cost arrived on First In First Out method (FIFO) and Net Realisable Value. Cost of raw materials comprises cost of purchases.
- ii) Work-in-progress and Finished Goods are valued at lower of cost and Net Realisable Value. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.
- iii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable 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.

### J Employee benefits:

#### i) Short Term Obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### ii) Other long-term employee benefit obligations:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### iii) Post – employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund and Employee State Insurance Fund (ESIC).

#### Defined Benefit Plans - Gratuity obligations

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee Benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the year in which they occur, directly in other comprehensive income they are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

#### Defined contribution plan

The Group pays provident fund and ESIC contributions to publicly administered provident funds / ESIC as per local regulations. The Group has no further payment obligations once The contributions have been paid. The contributions are accounted for as Defined contribution Plans and The contributions are recognised as employee Benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### K Leases (where the Group is lessee):

The Group has implemented the Ind AS 116 “Leases” as notified by the Ministry of Corporate Affairs on March 30, 2019 through the Companies (Indian Accounting Standards) Amendment Rules, 2019. Effective April 01, 2019, the Company has adopted Ind AS 116 “Leases”, applied to all the lease contracts existing on April 1, 2019 using the modified retrospective method of transition. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Group’s lease asset classes primarily consist of leases of land, building and equipment.

At the date of commencement of lease, the Group recognised a right-to-use assets and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as operating expense on straight-line basis over the term of lease. The right-to-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-to-use of assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset right-to use of assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with corresponding adjustment to the related right to use of asset if company changes its assessment if whether it will exercise an extension or termination option.

Lease liability and right-to-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application.

- 1) Applied a single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date.
- 2) Applied the exemption not to recognize right to use of asset and liabilities for leases with less than 12 months of lease term of the date of initial application.
- 3) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IND AS 116 is applied only to contracts that were previously identified as leases under INDAS 17.
- 4) Excluding initial direct costs for the measurement of right to use of asset at the date of initial application.

### L Foreign Currency Transactions / Translations

#### i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit and Loss as either profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income and expenses accordingly.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss in the Statement of Profit and Loss. For example, translation differences on non monetary assets and liabilities such as equity instruments held at fair value through profit or loss are included in net profit in the Statement of Profit and Loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair Value through Other Comprehensive Income ("FVOCI") are recognised in other comprehensive income ("OCI").

#### ii) Foreign Operations

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to the Statement of Profit and Loss as a part of gain or loss on disposal.

### M Income Tax

Income tax expense comprises current tax and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Current tax comprises of expected tax payable or receivable on taxable income/loss for the year or any adjustment or receivable in respect of previous year. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amount expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting date and are expected to apply to the Group when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits (Minimum alternate tax credit entitlement) only if it is probable that future taxable amounts will be available to utilise those temporary differences, unused losses and unused tax credits. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable or no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### N Earnings Per Share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

#### (ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing:

- the net profit or loss after tax for the year attributable to owners of the Group, and
- the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

### O Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, 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. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### P Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

### Q Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet include cash on hand, cheques on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and overdrawn bank balances.

### Cash Flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### R Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### S Derivatives and hedging activities

The Group holds derivative financial instruments such as forward contracts to mitigate risk of changes in exchange and interest rates. The counterparty for these contracts is generally banks.

#### (i) Cash flow hedges that qualify for hedge accounting:

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Statement of Profit and Loss.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

#### (ii) Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit and loss and are included in other income / expenses. Assets/liabilities are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

### T Financial instruments

#### a. Financial Liabilities

##### Initial recognition and measurement

Financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

##### Subsequent measurement

Financial liabilities are subsequently carried at fair value through profit and loss. For trade payables and other liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### Derecognition

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

#### b. Financial assets

##### Initial recognition and measurement

Trade Receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets other than those measured subsequently at fair value through profit and loss, are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

##### Classification and subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial assets. Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, the Group classifies financial assets as subsequently measured at amortised cost, fair value through OCI or fair value through profit and loss.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### i) Financial assets amortised at cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely consisting payments of principal and interest on the principal amount outstanding.

### ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

### iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### Equity investments

All equity investments within the scope of Ind-AS 109 are measured at fair value. Such equity instruments which are held for trading are classified as FVTPL. For all other such equity instruments, the Group decides to classify the same either as FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in OCI. Dividends on such equity instruments are recognised in the Statement of Profit or Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Dividends on such equity instruments are recognised in the Statement of Profit and Loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Group has transferred substantially all the risks and rewards of the asset, or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

## U Current–non-current classification

All assets and liabilities are classified into current and non-current.

### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the group's normal operating cycle;
- b) it is held primarily for the purpose of being trade;
- c) it is expected to be realised on demand or within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the group's normal operating cycle;
- b) it is held primarily for the purpose of being trade;
- c) it is due to be settled in demand or within 12 months after the reporting date; or
- d) there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**V Operating cycle**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.





### Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

#### 3 Tangible and intangible assets

	Gross carrying amount				Accumulated depreciation / amortisation				Net block			
	Carrying amount as at April 01, 2019	Additions during the year	Disposal during the year	Translation adjustments	As at March 31, 2020	Up to April 01, 2019	Charge for the year	Disposal during the year	Translation adjustments	Up to March 31, 2020	As at March 31, 2019	As at March 31, 2020
<b>A Property, plant and equipment</b>												
Leasehold Land	3,117	-	-	-	3,117	97	36	-	-	133	3,020	2,984
Building (Refer note 1)	1,34,000	3,975	(14,610)	2,708	1,26,073	12,271	4,519	-	-	16,790	1,21,729	1,09,283
Plant and Equipment	1,39,149	86,664	(14,255)	-	2,11,559	62,499	20,695	77	-	83,271	76,650	1,28,288
Furniture and Fixtures	4,882	558	(1,911)	-	3,528	1,574	885	-	-	2,459	3,308	1,069
Electrical Installation	2,973	2,385	-	-	5,358	1,265	523	-	-	1,788	1,708	3,569
Laboratory Equipment	46	-	-	-	46	46	-	-	-	46	-	-
Motor Car	3,888	-	(91)	-	3,797	2,373	427	-	-	2,800	1,515	997
Office Equipment	3,717	596	-	-	4,313	1,782	820	-	-	2,602	1,935	1,711
Computer	4,276	160	-	1	4,438	3,081	633	-	-	3,714	1,196	723
Office Building	45	184	-	-	229	6	14	-	-	20	39	209
<b>Total A</b>	<b>2,96,094</b>	<b>94,521</b>	<b>(30,867)</b>	<b>2,709</b>	<b>3,62,457</b>	<b>84,994</b>	<b>28,551</b>	<b>77</b>	<b>-</b>	<b>1,13,622</b>	<b>2,11,100</b>	<b>2,48,832</b>
<b>B Capital work-in-progress</b>												
<b>Total B</b>	<b>14,441</b>	<b>1,59,077</b>	<b>(84,375)</b>	<b>-</b>	<b>89,143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,441</b>	<b>89,143</b>
<b>C Intangible assets</b>												
Patent rights	21,422	-	-	-	21,422	5,671	2,328	-	-	7,999	15,751	13,423
<b>Total C</b>	<b>21,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,422</b>	<b>5,671</b>	<b>2,328</b>	<b>-</b>	<b>-</b>	<b>7,999</b>	<b>15,751</b>	<b>13,423</b>
<b>D Intangible assets under development</b>												
Patent rights	4,762	338	(1,679)	-	3,421	-	-	-	-	-	4,762	3,421
Product Development	3,893	400	-	-	4,293	-	-	-	-	-	3,893	4,293
Software development	1,096	-	(451)	-	645	-	-	-	-	-	1,096	645
<b>Total D</b>	<b>9,751</b>	<b>737</b>	<b>(2,129)</b>	<b>-</b>	<b>8,359</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,751</b>	<b>8,359</b>
<b>Total (A+B+C+D)</b>	<b>3,41,708</b>	<b>2,54,335</b>	<b>(1,17,371)</b>	<b>2,709</b>	<b>4,81,382</b>	<b>90,665</b>	<b>30,879</b>	<b>77</b>	<b>-</b>	<b>1,21,621</b>	<b>2,51,043</b>	<b>3,59,758</b>

Note :

(1) Building having gross value of ₹ 134 (P.Y. ₹ 134) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the Company in due course.

(2) Assets Disposal during the year at holding company's factory include assets destroyed by fire (Factory Building ₹ 14610, Plant and Equipment ₹ 13818, Furniture and Fixtures ₹ 1911).



### Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

#### 3 Tangible and intangible assets

	Gross carrying amount			Accumulated depreciation / amortisation			Net block					
	Carrying Amount as at April 01, 2018	Additions during the year	Disposal during the year	Translation adjustments	As at March 31, 2019	Up to April 01, 2018	Charge for the year	Disposal during the year	Translation adjustments	Up to March 31, 2019	As at March 31, 2018	As at March 31, 2019
<b>A Property, plant and equipment</b>												
Leasehold Land	3,117	-	-	-	3,117	61	36	-	-	97	3,056	3,020
Building (Refer note 1)	1,34,803	1,135	-	(1,938)	1,34,000	7,520	4,751	-	-	12,271	1,27,283	1,21,729
Plant and Equipment	1,44,620	4,965	(10,436)	-	1,39,149	43,403	24,894	(5,798)	-	62,499	1,01,218	76,650
Furniture and Fixtures	3,164	1,718	-	-	4,882	530	1,044	-	-	1,574	2,634	3,308
Electrical Installation	2,808	165	-	-	2,973	677	588	-	-	1,265	2,131	1,708
Laboratory Equipment	46	-	-	-	46	46	-	-	-	46	-	-
Motor Car	3,888	-	-	-	3,888	1,755	618	-	-	2,373	2,133	1,515
Office Equipment	2,117	1,600	-	-	3,717	753	1,029	-	-	1,782	1,364	1,935
Computer	3,373	905	-	(1)	4,276	1,821	1,260	-	-	3,081	1,552	1,196
Office Building	45	-	-	-	45	4	2	-	-	6	41	39
<b>Total A</b>	<b>2,97,981</b>	<b>10,488</b>	<b>(10,436)</b>	<b>(1,939)</b>	<b>2,96,094</b>	<b>56,569</b>	<b>34,222</b>	<b>(5,798)</b>	<b>-</b>	<b>84,994</b>	<b>2,41,412</b>	<b>2,11,100</b>
<b>B Capital work-in-progress</b>												
<b>Total B</b>	<b>-</b>	<b>14,441</b>	<b>-</b>	<b>-</b>	<b>14,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,441</b>
<b>C Intangible assets</b>												
Patent rights	21,424	-	-	(2)	21,422	2,955	2,716	-	-	5,671	18,469	15,751
<b>Total C</b>	<b>21,424</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>21,422</b>	<b>2,955</b>	<b>2,716</b>	<b>-</b>	<b>-</b>	<b>5,671</b>	<b>18,469</b>	<b>15,751</b>
<b>D Intangible assets under development</b>												
Patent rights	4,174	588	-	-	4,762	-	-	-	-	-	4,174	4,762
Product Development	1,143	5,449	(2,699)	-	3,893	-	-	-	-	-	1,143	3,893
Software development	1,276	455	(635)	-	1,096	-	-	-	-	-	1,276	1,096
<b>Total D</b>	<b>6,593</b>	<b>6,492</b>	<b>(3,334)</b>	<b>-</b>	<b>9,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,593</b>	<b>9,751</b>
<b>Total (A+B+C+D)</b>	<b>3,25,998</b>	<b>31,421</b>	<b>(13,770)</b>	<b>(1,941)</b>	<b>3,41,708</b>	<b>59,524</b>	<b>36,939</b>	<b>(5,798)</b>	<b>-</b>	<b>90,665</b>	<b>2,66,474</b>	<b>2,51,043</b>

#### Note :

1 Building having gross value of ₹ 134 (P.Y. ₹ 134) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the Company in due course.



### Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

#### 4 Investment Property

	Gross carrying amount			Accumulated depreciation / amortisation			Carrying amount				
	Carrying amount as at April 01, 2019	Additions during the year	Disposal during the year	Translation Adjustments	Up to April 01, 2019	Charge for the year	Disposal during the year	Translation Adjustments	Up to March 31, 2020	As at March 31, 2019	As at March 31, 2020
Guest House	1,651	-	-	-	230	69	-	-	299	1,421	1,352
<b>Total</b>	<b>1,651</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>230</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>1,421</b>	<b>1,352</b>

	Gross carrying amount			Accumulated depreciation / amortisation			Carrying amount				
	Carrying amount as at April 01, 2018	Additions during the year	Deletion during the year	Translation Adjustments	Up to April 01, 2018	Charge for the year	Disposal during the year	Translation Adjustments	Up to March 31, 2019	As at March 31, 2018	As at March 31, 2019
Guest House	1,651	-	-	-	157	73	-	-	230	1,494	1,421
<b>Total</b>	<b>1,651</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157</b>	<b>73</b>	<b>-</b>	<b>-</b>	<b>230</b>	<b>1,494</b>	<b>1,421</b>

#### (i) Amount recognised in Statement of Profit and Loss for investment property

	As at March 31, 2020	As at March 31, 2019
Depreciation	69	73
<b>Profit / (loss) from investment property</b>	<b>(69)</b>	<b>(73)</b>
<b>(ii) Fair value</b>		
Investment property #	2,555	2,555

#### # Estimation of Fair value

Company has carried out the fair valuation of property involving external independent valuation expert. As per the fair valuation report dated 21<sup>st</sup> May 2018 the fair value of investment property as on March 31, 2018 is ₹ 2,555(000). The valuation model has considered various inputs like cost, location, market appreciation, etc.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### 3A Right to use

#### (i) Amounts to be recognised in balance sheet as on March 31, 2020

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2020
Lease hold land/building	13,252
<b>Total</b>	<b>13,252</b>

Lease liabilities	March 31, 2020
Current	4,201
Non - Current	11,593
<b>Total</b>	<b>15,794</b>

#### (ii) Amounts to be recognised in Consolidated Statement of Profit and Loss for the year ended March 31, 2020

The Statement of Profit and Loss shows the following amounts relating to leases:

Depreciation	March 31, 2020
Lease hold land/building	4,704
<b>Total</b>	<b>4,704</b>

**Interest expenses on lease liabilities (included in finance cost) ₹ 2,274 thousand**

#### (iii) Total cash outflow for leases during financial year was :

Particulars	March 31, 2020
Operating cash flows : Interest expenses	2,274
<b>Total</b>	<b>2,274</b>

### Impact of change in the accounting policy

Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition, accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is insignificant on the profit for the year, earnings per share, total assets, total liabilities and adjustment to retained earnings.

On adoption of IND AS 116, the Group recognised lease liabilities under the principles of IND AS 17 "Leases". The Right -of-use assets is measured at an amount equal to the lease liability. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019.

#### (i) Summary of practical expedients applied on initial application of Ind AS 116 Leases -

In applying INDAS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

1. Relying on assessments performed immediately before initial application on whether leases are onerous as per Ind AS 37 Provisions, Contingent liabilities and Contingent Assets, as an alternative to performing an impairment review as per Ind AS 36 -Impairments of assets as on the date of initial application – there were no onerous contracts as at 1 April 2019
2. Accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases, and
3. Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, the company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying IndAS 17 in determining whether an arrangement contains a Lease.


**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

## (ii) Measurement of lease liabilities

Particulars	Amount
Operating lease commitments disclosed as at March 31, 2019	-
Operating lease commitments as on March 31, 2019 discounted using the lessee's incremental borrowing rate of at the date of initial application	-
Add: finance lease liabilities recognised as at 31 March 2019	20,286
(Less): short-term leases not recognised as a liability	-
Add/(less): adjustments for non-cancellable lease	-
Lease liability recognised as at 1 April 2019	20,286
Of which are:	
Current lease liabilities	4,492
Non-current lease liabilities	15,794


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**5 Investments**

	As at			
	March 31, 2020		March 31, 2019	
	Nos.	Amount	Nos.	Amount
<b>Investment in Equity instruments of Associates</b>				
<u>(Unquoted) (Fully paid up) (Trade)</u>				
Equity shares of SPArrow Bio-Polymer Products (P) Ltd of face value ₹ 10 each (46% holding)	4,600	-	4,600	-
Equity shares of Sphere Bio-Polymers (P) Ltd of face value ₹ 10 each (49% holding)	4,900	-	4,900	-
		-		-
<b>Investments in Equity Instruments (Unquoted), (Fully Paid), Non-Trade, at Fair value through Profit or Loss</b>				
Shamrao Vithal Co- operative Bank		9		9
Equity Shares of ₹ 25/- each	300		300	
Equity Shares of ₹ 10/- each	100		100	
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		1,45,028		1,66,008
		<b>1,45,037</b>		<b>1,66,017</b>
Aggregate amount of quoted investments and market value thereof		1,45,028		1,66,008
Aggregate amount of unquoted investments		9		9
Aggregate amount of impairment in the value of investments		-		-

**Investment in mutual funds (quoted) (fully paid up) at Fair Value through Profit and Loss**

	As at			
	March 31, 2020		March 31, 2019	
	Units	Amount	Units	Amount
GLMSF - Fund Class	-	-	248	24,742
HDFC Corp Debt Opportunities Fund-Regular *	26,87,329	44,734	26,87,329	40,995
ICICI Prud. Equity Income Fund Regular Plan	-	-	29,18,288	33,298
ICICI Prudential Savings Fund - Daily Dividend	4,99,901	52,857	2,91,855	30,872
ICICI Prudential Value Discovery Fund- Dividend	-	-	4,44,950	11,787
ICICI Prudential Equity Arbitrage Fund - Dividend	1,45,397	1,988	1,45,396	1,980
Stallion Total Return Fund	28,249	20,459	28,249	22,333
GLMSF Fund Class A8	231	24,990	-	-
		<b>1,45,028</b>		<b>1,66,008</b>

\* Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2019-20 and FY 2018-19


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>6 Loans</b>		
Unsecured, considered good		
Security deposits - others	5,345	4,177
Loans to Employees	272	340
	<b>5,617</b>	<b>4,517</b>
<b>7 Other financial assets</b>		
Fixed deposits with Bank (maturity more than 12 months) *	903	6,397
	<b>903</b>	<b>6,397</b>
*Held as lien by bank against bank guarantee/Security Deposit of Mar 31, 2020 ₹ 903; Mar 31,2019 ₹ 1,597		
<b>8 Income tax assets (Net)</b>		
Advance Income Tax (Net)	12,376	11,736
	<b>12,376</b>	<b>11,736</b>
<b>9 Other non - current assets</b>		
Unsecured, considered good		
Capital advances	2,113	67,104
Insurance Claim Receivable (Refer Note 33)	61,174	-
Prepaid expenses	84	208
	<b>63,372</b>	<b>67,312</b>
<b>10 Inventories</b>		
Raw materials and components:		
Polyvinyl Alcohol	3,226	10,432
Chemicals	604	1,200
Others	631	616
<b>Total</b>	<b>4,460</b>	<b>12,248</b>
<u>Work in progress:</u>		
Water Soluble Films	4,789	11,821
<u>Finished goods:</u>		
Water Soluble Films	5,661	13,008
Other Stock in transit	1,659	-
<u>Stock in trade</u>		
Cleaning products	1,551	15,410
Bioplast	3,909	5,988
Other (Including PVA)	11,081	-
Stores and spares	52	423
	<b>33,163</b>	<b>58,898</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>11 Trade Receivables</b>		
<u>Unsecured</u>		
Dues from trade receivables considered good	33,456	76,021
Dues from trade receivables considered doubtful	7,550	1,897
Less: Allowance for doubtful debts	(7,550)	(1,897)
	<b>33,456</b>	<b>76,021</b>
Note: Trade receivable are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts.		
<b>12 Cash and cash equivalents</b>		
<u>Balance with bank:</u>		
On current accounts	95,720	1,54,171
Deposits with original maturity of less than 3 months	-	22,500
Cash on hand	415	347
	<b>96,135</b>	<b>1,77,018</b>
<b>13 Bank balances other than cash and cash equivalents</b>		
Unclaimed Dividend Account	4,384	4,249
Right Issue - Escrow Account	1,028	-
Employer Gratuity Account	413	-
Deposits with maturity of more than 3 months but less than 12 months***	85,574	2,152
	<b>91,399</b>	<b>6,401</b>
***Held as lien by bank against bank guarantee of Mar 31, 2020 ₹ 25,171, Mar 31, 2019 ₹ 1775		
<b>14 Loans</b>		
<b>Unsecured, considered good</b>		
Security deposits - Others	73	198
Loan to Employees	-	851
Loan to Other	2,106	-
	<b>2,179</b>	<b>1,049</b>
<b>15 Other financial assets</b>		
<b>Unsecured, considered good</b>		
Dividend receivable	-	4
Interest accrued on deposits with bank	269	172
Derivative Assets	-	10
Margin Money with others	1,428	-
Export benefit receivable	153	-
	<b>1,850</b>	<b>186</b>




**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>16 Other current assets</b>		
Unsecured, considered good unless stated otherwise		
Advance to suppliers		
Considered Good	2,427	2,646
Considered Doubtful	2,782	2,119
Less: Provision for Doubtful Advance	(2,782)	(2,119)
	<b>2,427</b>	<b>2,646</b>
Prepaid expenses	752	1,061
Advance to employees	1,261	1,430
Balance with Government authorities	51,682	32,434
Less: GST on material consumed By fire (Refer Note 33)	(3,369)	-
	<b>52,752</b>	<b>37,571</b>

**17 Equity share capital**
**a) Equity share capital**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each	1,50,00,000	1,50,000	1,50,00,000	1,50,000
Issued, Subscribed and Paid Up :				
Equity shares of ₹ 10 each fully paid	1,40,87,938	1,40,879	1,17,39,948	1,17,399

**b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period**

	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,17,39,948	1,17,399	1,17,39,948	1,17,399
Add: Right issue share issued during the year (Refer Note 17 (c) ) below)	23,47,990	23,480	-	-
Outstanding at the end of the year	<b>1,40,87,938</b>	<b>1,40,879</b>	<b>1,17,39,948</b>	<b>1,17,399</b>

**c) Terms /Rights attached to Equity shares**

The Group has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

\*On March 19, 2020 the Holding Company has allotted 23,47,990 fully paid-up Equity Shares of face value ₹ 10 each ("Equity Shares") at an issue price of ₹ 36/- (including a premium of ₹ 26/- per Equity Share) for cash to the existing equity shareholders in the ratio of 1 (One) fully paid up Equity Shares for every 5 (Five) fully paid Equity Shares held by the existing equity shareholders on Rights basis. There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue. Pursuant to IND AS 33, basic and diluted earnings per share have been adjusted in respect of right issue made during the year ended March 31, 2020.


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**d) Details of shares held by each shareholder holding more than 5% equity shares**

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Pvt Ltd	11,96,014	8%	11,96,014	10%
Jigisha S. Patel	18,22,205	13%	15,18,503	13%
Shilpan P. Patel	49,66,346	35%	32,26,342	27%
Shilpan Patel (HUF)	10,79,180	8%	8,99,316	8%
	<b>90,63,745</b>	<b>64%</b>	<b>68,40,175</b>	<b>58%</b>

		As at	
		March 31, 2020	March 31, 2019
<b>18 Other Equity</b>			
General Reserve	18 (i)	200	200
Capital reserve	18 (ii)	8,218	8,218
Securities premium reserve	18 (iii)	90,247	29,199
Retained earnings	18 (iv)	5,20,196	6,28,411
Foreign currency translation reserve	18 (v)	(171)	(4,845)
		<b>6,18,690</b>	<b>6,61,183</b>
<b>Reserves and surplus</b>			
<b>18 (i) General reserve</b>			
Balance at the beginning of the year		200	200
Movement during the year		-	-
Balance at the end of the year		<b>200</b>	<b>200</b>
<b>18 (ii) Capital reserve</b>			
Balance at the beginning of the year		8,218	8,218
Movement during the year		-	-
Balance at the end of the year		<b>8,218</b>	<b>8,218</b>
<b>18 (iii) Securities premium reserve</b>			
Balance at the beginning of the year		29,199	29,199
Movement during the year		61,048	-
Balance at the end of the year		<b>90,247</b>	<b>29,199</b>
<b>18 (iv) Retained earnings</b>			
Opening Balance at the beginning of the year		6,28,411	8,18,884
Add : Loss for the year		(99,647)	(1,66,802)
Opening Balance impact of IND AS 116 (Refer Note 3 (A))		(2,605)	
Less : Dividend paid		(5,841)	(23,483)
Items that will not be reclassified to profit or loss :			
- Remeasurement of defined benefit obligation		(169)	(265)
- Income tax relating to above item		47	77
Balance as at the year end		<b>5,20,196</b>	<b>6,28,411</b>
<b>18 (v) Other Comprehensive Income</b>			
Foreign Currency Translation Reserve			
Balance at the beginning of the year		(4,845)	2,639
Add: for the year		4,674	(7,484)
Balance as at the year end		<b>(171)</b>	<b>(4,845)</b>
		<b>6,18,690</b>	<b>6,61,183</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>Proposed dividend on equity shares not recognised</b>		
Final dividend for the year ended ₹ Nil per share (PY ₹ 0.50 per share)	-	5,870
Dividend distribution tax on proposed dividend	-	1,207
	-	<b>7,077</b>

**Note**
**Nature of reserves**
**a) General Reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the Statement of Profit and Loss.

**b) Capital Reserve**

The Capital reserve is created on account of forfeiture of share application money.

**c) Securities Premium**

Securities premium account comprises of premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

**d) Retained Earnings**

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders

	As at	
	March 31, 2020	March 31, 2019
<b>19 Borrowings</b>		
Unsecured (interest free repayable on demand)		
From Directors	-	369
<u>Loan from Others (Secured)*</u>		
Term Loan (Secured)	48,174	-
Less: Current Maturities	(8,491)	-
	<b>39,683</b>	<b>369</b>
*Loan from a Non banking financial company of ₹ 48,174 (March 31, 2019 : ₹ Nil) carries interest @ 12.50% p.a. The loans are repayable in 60 monthly instalments along with interest starting from October 2019. The loan is secured by hypothecation of fixed assets acquired		
<b>20 Provisions</b>		
Provision for employee benefits		
- Leave encashment (un funded) (Refer note 42)	1,443	1,643
	<b>1,443</b>	<b>1,643</b>
<b>21 Other non-current liabilities</b>		
Lease Rent Liability (Refer Note 3A)	11,593	-
	<b>11,593</b>	-
<b>22 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 41)	240	291
Total outstanding dues to others	26,495	33,985
	<b>26,735</b>	<b>34,276</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	As at	
	March 31, 2020	March 31, 2019
<b>23 Other financial liabilities</b>		
Current Maturities of Borrowing (Refer Note 19)	8,491	-
Interest Accrued but not due	98	-
Current Maturities of Lease Rent (Refer Note 3A)	4,201	-
Unclaimed Dividend ^	4,381	4,246
Employee Benefits Payable	3,066	2,871
Outstanding liability for expenses	10,231	5,819
Trade payable for capital goods (other than small and medium enterprises)	20,138	10,423
Derivative Liability	1,468	2,191
	<b>52,074</b>	<b>25,550</b>
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
<b>24 Provisions</b>		
Provision for employee benefits		
- Gratuity (funded) (Refer Note 42)	1,637	750
- Leave encashment (un funded) (Refer Note 42)	574	583
	<b>2,211</b>	<b>1,333</b>
<b>25 Other current liabilities</b>		
Statutory Dues Payable	2,421	2,716
Advances from customer	4,202	1,072
	<b>6,623</b>	<b>3,788</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>26 Revenue from operations</b>		
<u>Sale of products (net of sales return)</u>		
Finished goods	1,19,357	92,690
Traded goods	93,997	2,32,703
<u>Services rendered</u>		
Royalty Income - Patent	3,653	11,663
Consulting Income	3,285	-
<u>Other Operating Revenue</u>		
Rent Income	2,308	5,765
Sale of scrap	12	100
Revenue from Operations	<b>2,22,611</b>	<b>3,42,922</b>
<b>Detail of Sale of Products / Services</b>		
<u>Finished goods sold</u>		
Water Soluble Films	1,11,340	92,690
Other Business	8,016	-
	<b>1,19,357</b>	<b>92,690</b>
<u>Traded goods sold</u>		
Cleaning Products	1,608	11,227
Other Business	92,390	2,21,476
	<b>93,997</b>	<b>2,32,703</b>
<b>27 Other Income</b>		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	2,775	5,346
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	971	644
On Loans and Deposits	362	141
On Others	308	147
Foreign Exchange Gain (net)	3,177	-
Net Gain on Sale of non-current Investments in Mutual Fund	2,518	7,540
Gain on Forward Contract	-	10
Bad Debt Recovered	1,867	-
Miscellaneous Income	855	1,078
Net Gain on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through profit or loss	2,832	1,263
	<b>15,665</b>	<b>16,169</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>28 Cost of raw materials consumed</b>		
Inventory at the beginning of the year	12,248	8,272
Add: Purchases	30,303	40,644
Less: Material consumed By fire (Refer Note 33)	2,573	-
Less: Inventory at the end of the year	4,460	12,248
	<b>35,518</b>	<b>36,668</b>
<b>29 Change in inventory of finished goods, work-in-progress and stock in trade</b>		
Inventories at the end of the year		
Stock In Trade	16,540	21,398
Work-in-progress	4,789	11,821
Finished goods	7,320	13,008
Inventories at the beginning of the year		
Stock In Trade	21,398	12,238
Work-in-progress	11,821	16,963
Finished goods	13,008	8,076
	<b>17,578</b>	<b>(8,950)</b>
Less: Finished goods consumed By fire (Refer Note 33)	23,597	-
	<b>(6,020)</b>	<b>(8,950)</b>
<b>30 Employee benefits expense</b>		
Salary, Wages and Bonus	67,480	85,233
Contribution to Provident and other funds (Refer note 42)	1,778	2,314
Gratuity and Leave Encashment (Refer note 42 )	1,483	2,140
Staff welfare expenses	1,617	2,731
	<b>72,358</b>	<b>92,418</b>
<b>31 Finance Cost</b>		
Interest on Secured Loan	3,279	-
Processing and Other Charges	55	-
Interest on Lease	2,274	-
Others	279	-
	<b>5,887</b>	<b>-</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>32 Other expenses</b>		
Consumption of stores and spares	2,142	2,446
Repair and Maintenance - Building	200	626
Repair and Maintenance - Machinery	1,286	1,123
Repair and Maintenance - Other	524	2,023
Rent (refer note 39)	1,387	8,326
Insurance	1,136	815
Power and Fuel	21,454	23,063
Labour Charges	4,997	5,618
Factory Expenses	2,055	2,468
Selling and Promotion Expenses	1,195	1,491
Freight and Forwarding	5,940	7,289
Lease Rent and Hire Charges (Refer note 38)	2,420	11,019
Postage and Telephone Expenses	1,066	1,909
Printing and Stationery	532	1,166
Travelling and Conveyance	11,079	23,814
Legal and Professional Charges	14,131	23,745
Patent Development Expenses Written off	1,678	-
Patent Charges	2,981	4,766
Right Issue Expenses	2,437	-
Research and Development Expenses	530	-
Donations	15	500
Loss on Sale / Write-off of Fixed Assets (net)	59	-
Provision For Advances	583	649
Provision For Doubtful debts	5,653	2,492
Payment to Auditors (Exclusive of Goods and Services tax) (refer note 34)	2,750	2,997
Corporate Social Responsibility Expense - Holding Company (refer note 35)	750	2,100
Loss on fair value of Investment	3,338	3,827
Bank Charges	718	853
Loss on Forward Contract	10	-
Foreign Exchange Loss (Net)	-	1,990
Other Misc Expenses	10,003	5,875
	<b>1,03,049</b>	<b>1,42,989</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>33 Exceptional Items</b>		
Loss by Fire*	3,220	-
	3,220	-
<p>* There was incidence of fire at one of the unit in factory of the Holding Company located at Ankleshwar on October 30, 2019 in which certain tangible assets and inventories were damaged and destroyed. The Holding Company has taken adequate insurance cover for tangible assets and inventories destroyed by fire. The Company has filed its insurance claim and does not expect significant impact on the Financials. Pending finalisation of insurance claim, the Holding Company has written off inventories (including goods and service tax credit on inventories of ₹ 3,369) and written down value of tangible property, plant and equipment of ₹ 29,539 thousand and ₹ 34,856 thousand, respectively and also recognised insurance claim of ₹ 61,174 thousand and net impact of ₹ 3,220 thousand as exceptional item</p>		
<b>34 Payment to Auditors (Exclusive of Goods and Services tax)</b>		
<b>As auditor</b>		
Auditors Remuneration	2,085	2,368
Tax audit fees	200	200
Limited review fees	300	300
<b>Other Capacity</b>		
Other services (Certification fees)	165	110
Reimbursement of expenses	-	19
	<b>2,750</b>	<b>2,997</b>
<b>35 Corporate Social Responsibility Expense - Holding Company</b>		
<u>Gross amount required to be spent by the group during the year</u>		
Corporate Social Responsibility Expense	1,234	2,466
<u>Amount spent during the year (paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	750	2,100
<u>Amount spent during the year (yet to paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
	<b>750</b>	<b>2,100</b>




**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	Year ended	
	March 31, 2020	March 31, 2019
<b>36 Income taxes</b>		
<b>a. Income tax expense is as follows:</b>		
<b>Statement of Profit and Loss</b>		
<b>Current tax:</b>		
Tax for the year	4,933	11,010
Adjustments for current tax of prior periods	(234)	(9,013)
<b>Total current tax expense</b>	<b>4,699</b>	<b>1,997</b>
<b>Deferred tax:</b>		
Deferred tax expenses	(7,283)	(3,817)
<b>Total deferred tax expense</b>	<b>(7,283)</b>	<b>(3,817)</b>
<b>Income tax expense</b>	<b>(2,584)</b>	<b>(1,820)</b>
<b>Other comprehensive income</b>		
<b>Deferred tax related to OCI items:</b>		
Net loss / (gain) on remeasurements of defined benefit plans	47	77
	<b>47</b>	<b>77</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**b. Reconciliation of effective tax rate**

A reconciliation of income tax expense as included in the statement of profit and loss to the amount computed by applying the weighted average enacted income tax rate to income before income taxes is summarized below:

	Year ended			
	March 31, 2020		March 31, 2019	
Loss before tax		(1,01,506)		(1,70,483)
Tax at the Indian tax rate	28.84%	(29,274)	29.12%	(49,645)
Tax effects on amounts which are not deductible (taxable) in calculating taxable income				
<b>Tax effect of:</b>				
Differences in tax rates in respect of dividend from foreign subsidiary & Short term capital gain on sale of Mutual Fund	-5.26%	1,541	-0.13%	218
Non-deductible expenses	2.37%	(2,401)	0.68%	(1,152)
Exempt income	-3.42%	(779)	0.91%	(1,557)
Prior Year Adjustments	0.23%	(234)	0.00%	-
Others	0.70%	(711)	-0.39%	670
	<b>2.55%</b>	<b>(2,584)</b>	<b>1.07%</b>	<b>(1,820)</b>

**c. Deferred Tax Liabilities (net)**
**(i) Movement in deferred tax liabilities for the year ended March 31, 2020**

	Net balance March 31, 2019	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2020
<b>Deferred tax on:</b>				
Property, plant and equipment	3,408	(8,401)	-	(4,993)
Fair valuation of investments in mutual fund	2,806	504	-	3,310
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(2,825)	(779)	(47)	(3,651)
Brought Forward Losses	-	4,124	-	4,124
Others	347	1,257	-	1,604
MAT Credit	-	(3,988)	-	(3,988)
	<b>3,736</b>	<b>(7,283)</b>	<b>(47)</b>	<b>(3,594)</b>

**(ii) Movement in deferred tax liabilities for the year ended March 31, 2019**

	Net balance March 31, 2018	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2019
<b>Deferred tax on:</b>				
Property, plant and equipment	5,683	(2,275)	-	3,408
Fair valuation of investments in mutual fund	3,697	(891)	-	2,806
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(2,066)	(676)	(77)	(2,825)
Others	322	25	-	347
	<b>7,636</b>	<b>(3,817)</b>	<b>(77)</b>	<b>3,736</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

	For the year ended	
	March 31, 2020	March 31, 2019
<b>37 Earnings Per Share</b>		
Calculation of basic and diluted Earnings per share is as follows:		
Profit/ (Loss) for the year attributable to Owners of the Company	(99,647)	(1,66,802)
Weighted average number of equity shares		
- Basic	1,18,23,575	1,17,39,948
- Diluted	1,18,23,575	1,17,39,948
Earnings per share (in ₹)		
- Basic	(8.43)	(14.21)
- Diluted	(8.43)	(14.21)

	As at	
	March 31, 2020	March 31, 2019
<b>38 Contingent liabilities and Commitments</b>		
Contingent Liabilities		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 349 (March 31, 2018: ₹ 349)	23,009	76,910
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 1,304 (March 31, 2018: ₹1,304)	62,321	10,537
(c) Bank Guarantees given	14,400	10,291
	<b>99,730</b>	<b>97,738</b>

**39 Leases**

	As at	
	March 31, 2020	March 31, 2019
Lease rent expenses for the year *	3,807	19,345

\*Lease Rent Expenses for March 31, 2020 include Rent on Machinery and Amortization of expenses of ₹ 2,420 (PY ₹ 11,019)

**40** Based on the guiding principles given in Ind AS 108 - "Operating segments", the Group is primarily engaged in the business of Manufacturing of Water Soluble Film. As the Group's business activity falls within a single primary business segment, the disclosure requirements of Ind AS-108 in this regard are not applicable.

**41 Micro, Small and Medium Enterprises**

To the extent, the Group has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

	As at	
	March 31, 2020	March 31, 2019
Principal amount remaining unpaid at the end of the year	206	291
Interest due thereon	34	19
Interest remaining accrued and unpaid at the end of the year	34	19
Total Interest accrued and remained unpaid at year end	34	19


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**42 Employee benefit obligations of holding company**
**i) Defined Contribution Plans**

Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Contribution to Defined Contribution Plans, recognized as expense for the year as under:

	Year ended	
	March 31, 2020	March 31, 2019
Employer's Contribution to Provident Fund	1,515	1,943
Employer's Contribution to Employees State Insurance Corporation	263	371

**ii) Defined Benefits Plans**

Gratuity: The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Group, is deducted from the gross obligation.

The following table sets forth the status of the gratuity plan of the Company, and the amounts recognized in the Balance sheet and Statement of profit and loss.

**Funding :**

The Group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees

**Reconciliation of the net defined benefit obligation:**

	Year ended	
	March 31, 2020	March 31, 2019
Opening defined benefit obligation	6,429	5,380
Benefits paid	(104)	(97)
Current service cost	585	509
Interest cost	500	419
changes in financial assumptions	393	4
experience adjustments	(686)	215
Closing defined benefit obligation	<b>7,117</b>	<b>6,429</b>

**Reconciliation of the fair value of plan assets:**

	Year ended	
	March 31, 2020	March 31, 2019
Opening fair value of plan assets	5,679	3,308
Interest Income	441	257
Employer contributions	(413)	2,257
Benefits paid	(104)	(97)
Actuarial gains on Plan Assets	(125)	(45)
Closing fair value of plan assets	<b>5,480</b>	<b>5,679</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**Balance sheet reconciliation**

	As at	
	March 31, 2020	March 31, 2019
Opening defined benefit obligation	6,429	5,380
Opening fair value of plan assets	(5,679)	(3,308)
Expenses recognised in profit and loss	643	670
Expenses recognised in Other Comprehensive Income	(169)	265
Employer contributions	413	(2,257)
Net (Asset) / Liability recognised in the Balance sheet	<b>1,637</b>	<b>750</b>

**Expenses recognised in profit and loss:**

	Year ended	
	March 31, 2020	March 31, 2019
Current service cost	585	509
Interest cost	58	161
	<b>643</b>	<b>670</b>

**Remeasurements recognised in other comprehensive income**

	Year ended	
	March 31, 2020	March 31, 2019
Actuarial (gain) loss on defined benefit obligation	(294)	219
Return on plan assets excluding interest income	125	45
	<b>(169)</b>	<b>265</b>

**Analysis of plan assets**

	As at	
	March 31, 2020	March 31, 2019
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	<b>100%</b>	<b>100%</b>

**Maturity profile of defined benefit obligation**

	As at	
	March 31, 2020	March 31, 2019
1 Year	2,601	2,194
2 to 5 years	988	986
6 to 10 years	3,075	1,853
<b>More than 10 years</b>	<b>6,286</b>	<b>8,025</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**Actuarial assumption**

Principal actuarial assumption used to determine net periodic benefit cost and benefit obligation at the reporting dates;

	As at	
	March 31, 2020	March 31, 2019
Discount Rate (p.a.)	6.84%	7.77%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected rate of return on assets	6.84%	7.77%
Employee turnover	Service<5-10%	Service<5-10%
	Service>=5-3%	Service>=5-3%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA

**Notes :**

**Salary escalation rate:** The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below;

	Year ended	
	March 31, 2020	March 31, 2019
Projected Benefit Obligation on Current Assumptions	7,117	6,429
Discount Rate: 1% increase	(420)	(383)
Discount Rate: 1% decrease	489	445
Future salary growth: 1% increase	322	301
Future salary growth: 1% decrease	(281)	(264)
Change in Rate of Employee Turnover : 1% Increase	140	167
Change in Rate of Employee Turnover : 1% Decrease	(160)	(191)


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**iii) Compensated absences**

The Company accrues for the compensated absences, a long term employee benefit plan based on the entire available leave balance standing to the credit of the employees at year end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation as at the Balance sheet date and is charged to Statement of profit and loss in the period determined. The provision as at balance sheet dates are as follows:

	As at	
	March 31, 2020	March 31, 2019
Compensated absences liability	2,017	2,226
Actuarial assumption		
	As at	
	March 31, 2020	March 31, 2019
Discount rate	6.84%	7.77%
Long-term rate of compensation increase	5.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 840 (PY ₹ 1,470)

**43 Related party disclosures**
**a) Related parties and their relations**

Name of Related Party	Relationship
SP Arrow Bio Polymer Products Private Limited	Associate Company
Sphere Bio Polymer Private Limited	
Mr. Shilpan P. Patel - Managing Director	Key Management Personnel (KMP)
Mr. Neil Patel - Joint Managing Director	
Mr. Hitesh Punglia - Chief Financial Officer	
Mrs. Poonam Bansal - Company Secretary	
Mrs. Jigisha S Patel	Relative of key management personnel
Mrs. Manisha Sindhi	
Aquavista Limited	Enterprises over which Key Management Personnel are able to exercise significant influence
Arrow Convertors Private Limited	
Soluble System Private Ltd.	


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**b) Transaction with Related Parties & Outstanding Balance as on March 31, 2020 and March 31, 2019:**

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b><u>Mr. Shilpan P. Patel</u></b>				
Rent Expenses	1,080	1,080	(538)	(745)
Loan repaid and outstanding	-	(131)	-	-
<b><u>Arrow Convertors Private Limited</u></b>				
Rent Expenses	540	540	-	-
<b><u>Aquavista Limited</u></b>				
Consultancy services received	45	1,998	-	-
<b><u>Soluble System Private Ltd.</u></b>				
Sale of Cleaning Products	1,395	-	17	-
<b><u>Remuneration to Key Managerial Personnel &amp; Relatives</u></b>				
Mr. Shilpan P. Patel - Managing Director	6,831	7,500	-	-
Mr. Neil Patel - Joint Managing Director	7,500	7,500	-	-
Mr. Hitesh Punglia - Chief Financial Officer	4,941	4,941	-	-
Mrs. Poonam Bansal - Company Secretary	981	975	-	-
Mrs. Jigisha S Patel	621	741	-	-
Mrs. Manisha Sindhi	767	200	-	-

**44 Financial Instruments - Accounting Classifications and Fair Value Measurements**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.




**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

A	As at March 31, 2019	Carrying value			Fair value		
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2
<b>Non Current Financial assets</b>							
Investments	-	1,66,017	-	1,66,017	1,66,017	-	-
Loans	4,517	-	-	4,517	-	-	-
Other financial asset	6,397	-	-	6,397	-	-	-
	10,914	1,66,017	-	1,76,931	1,66,017	-	-
<b>Current Financial assets</b>							
Trade Receivables	76,021	-	-	76,021	-	-	-
Cash and cash equivalents	1,77,018	-	-	1,77,018	-	-	-
Bank balances other than Cash and cash equivalents	6,401	-	-	6,401	-	-	-
Loans	1,049	-	-	1,049	-	-	-
Other financial assets	186	-	-	186	-	-	-
	2,60,675	-	-	2,60,675	-	-	-
<b>Total</b>	<b>2,71,589</b>	<b>1,66,017</b>	<b>-</b>	<b>4,37,606</b>	<b>1,66,017</b>	<b>-</b>	<b>-</b>
<b>Current Financial liabilities</b>							
Borrowings	369	-	-	369	-	-	-
Trade payables	34,276	-	-	34,276	-	-	-
Other financial liabilities	25,550	-	-	25,550	-	-	-
<b>Total</b>	<b>60,195</b>	<b>-</b>	<b>-</b>	<b>60,195</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B As at March 31, 2020</b>							
B	As at March 31, 2020	Carrying value			Fair value		
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2
<b>Non Current Financial assets</b>							
Investments	-	1,45,037	-	1,45,037	1,45,037	-	-
Loans	5,617	-	-	5,617	-	-	-
Other financial asset	903	-	-	903	-	-	-
	6,520	1,45,037	-	1,51,557	1,45,037	-	-
<b>Current Financial assets</b>							
Trade Receivables	33,456	-	-	33,456	-	-	-
Cash and cash equivalents	96,135	-	-	96,135	-	-	-
Bank balances other than Cash and cash equivalents	91,399	-	-	91,399	-	-	-
Loans	2,179	-	-	2,179	-	-	-
Other financial assets	1,850	-	-	1,850	-	-	-
	2,25,019	-	-	2,25,019	-	-	-
<b>Total</b>	<b>2,31,539</b>	<b>1,45,037</b>	<b>-</b>	<b>3,76,576</b>	<b>1,45,037</b>	<b>-</b>	<b>-</b>
<b>Non Current Financial liabilities</b>							
Borrowings	39,683	-	-	39,683	-	-	-
<b>Total</b>	<b>39,683</b>	<b>-</b>	<b>-</b>	<b>39,683</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Financial liabilities</b>							
Current Maturity of Borrowings	8,491	-	-	8,491	-	-	-
Trade payables	26,735	-	-	26,735	-	-	-
Other financial liabilities	43,583	-	-	43,583	-	-	-
<b>Total</b>	<b>78,809</b>	<b>-</b>	<b>-</b>	<b>78,809</b>	<b>-</b>	<b>-</b>	<b>-</b>
	1,18,492	-	-	1,18,492	-	-	-

During the reporting year ended March 31, 2020 and March 31, 2019, there was no transfer between level 2 and level 3 fair value measurements.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### 45 Financial risk management

The group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports to the board of directors on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the group's activities. The group, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk that group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increases in credit risk on other financial instruments of the same counterparty,

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the group. Where receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in Statement of Profit and Loss.

#### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Credit terms are in line with industry trends.

#### Summary of the group's exposure to credit risk by age of the outstanding from various customers is as follows

	As at	
	March 31, 2020	March 31, 2019
Less than 180 days	22,716	65,992
From 181 - 365 days	9,116	4,862
More than 365 days	9,174	9,556
<b>Total</b>	<b>41,006</b>	<b>80,410</b>
Less : Impairment allowance	7,550	4,389
<b>Total</b>	<b>33,456</b>	<b>76,021</b>



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

Expected credit loss assessment for customers as at 31 March 31, 2019 and March 31, 2020

Exposures to customers outstanding at the end of each reporting period are reviewed by the group to determine credit losses. Given that the macro economic indicators affecting customers of the group have not undergone any substantial change, the group expects the historical trend of minimal credit losses to continue.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows

	Amount
<b>Balance as at March 31, 2018</b>	<b>1,897</b>
Impairment loss recognised	2,492
Amounts written off / written back	-
<b>Balance as at March 31, 2019</b>	<b>4,389</b>
Impairment loss recognised	3,161
Amounts written off / written back	-
<b>Balance as at March 31, 2020</b>	<b>7,550</b>

### Cash and bank balance

The Group held cash and bank balance with credit worthy banks and financial institutions of ₹ 1,87,534 and ₹ 1,83,419 as at March 31, 2020 and March 31, 2019 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an on-going basis and is considered to be good.

### ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time. The group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	As at March 31, 2020		As at March 31, 2019	
	Less than 1 year	1 to 4 years	Less than 1 year	1 to 4 years
Borrowing (Including Interest)	14,174	49,608	-	369
Trade payables	26,735	-	34,276	-
Other financial liabilities	43,485	-	25,550	-
Bank Guarantee given	3,170	11,230	6,116	4,175

### iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and payables.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and ensuring compliance with market risk limits and policies.


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**a) Foreign currency risk**

The Group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk

Foreign currency exposure	US\$	EUR	GBP	CHF	Total
<b>March 31, 2020</b>					
<b>Financial assets</b>					
Investments	20,504	-	24,990	-	45,495
Trade receivables	6,795	15,195	-	-	21,990
Cash and cash equivalents	10,250	37,722	-	40	48,012
<b>Net exposure to foreign currency risk (assets)</b>	<b>37,549</b>	<b>52,917</b>	<b>24,990</b>	<b>40</b>	<b>1,15,497</b>
<b>Financial Liabilities</b>					
Trade payables	14,660	2,976	709	-	18,345
Trade payables for capital Goods	-	-	9,308	-	9,308
Net exposure to foreign currency risk (liabilities)	14,660	2,976	10,017	-	27,653
Rupee Conversion Rate	75.39	83.05	93.08	81.23	
<b>March 31, 2019</b>					
<b>Financial assets</b>					
Investments	46,873	-	-	-	46,873
Trade receivables	1,896	6,595	458	-	8,950
Cash and cash equivalents	89,147	10,565	-	-	99,712
<b>Net exposure to foreign currency risk (assets)</b>	<b>1,37,916</b>	<b>17,161</b>	<b>458</b>	<b>-</b>	<b>1,55,535</b>
<b>Financial Liabilities</b>					
Trade payables	8,110	7,254	4,899	-	20,264
Less: Forward against Import	(2,179)	(5,389)	-	-	(7,568)
Other financial liabilities	-	-	5,438	-	5,438
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>5,931</b>	<b>1,865</b>	<b>10,337</b>	<b>-</b>	<b>18,133</b>
<b>Rupee Conversion Rate</b>	<b>69.17</b>	<b>77.70</b>	<b>90.48</b>	<b>-</b>	

**Foreign currency sensitivity**

The table below demonstrates sensitivity impact on profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

Foreign currency	March 31, 2020		March 31, 2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	162.24	(162.24)	935.51	(935.51)
EUR	353.98	(353.98)	108.42	(108.42)
GBP	106.13	(106.13)	(70.02)	70.02
CHF	0.29	(0.29)	-	-



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company main interest rate risk arises from long-term borrowings with fixed rates.

The company's borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at	
	March 31, 2020	March 31, 2019
Variable rate borrowings	-	-
Fixed rate borrowings	48,174	369
<b>Total borrowings</b>	<b>48,174</b>	<b>369</b>

### 46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment (refer note 18) ratio to shareholders, return capital to shareholders or issue fresh shares. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio are as follows.

	As at	
	March 31, 2020	March 31, 2019
Borrowings		
Long term and Short term borrowings	39,683	369
Current maturities of Long term borrowings	8,491	-
Less: Cash and cash equivalents	96,135	1,77,018
Adjusted net debt	1,44,309	1,77,387
Total Equity	7,59,569	7,78,582
<b>Adjusted net debt to equity ratio</b>	<b>0.19</b>	<b>-</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**47 Business Combinations**
**A) Subsidiaries**

The Group's subsidiaries as at March 31, 2020, March 31, 2019 are set out below. Unless otherwise stated, they have share capital that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal place of business/ country of incorporation	Ownership interest held by the group		Proportion of ownership of interest by non-controlling interests		Principal activities
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
		%	%	%	%	
Arrow Green Technologies (UK) Limited	United Kingdom	100	100	-	-	Intellectual Property and Intellectual Property based products
Advance IP Technologies Limited	United Kingdom	95	95	5	5	Intellectual Property and Intellectual Property based products
Avery Pharmaceuticals Private Limited	India	99	99	1	1	Pharmaceuticals products
LQ Arrow Security Products (India) Private Limited	India	51	51	49	49	Security based products
Arrow Secure Technology Private Limited	India	100	100	-	-	Security based products

**B) Non-controlling interests (NCI)**

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations

Summarised Balance Sheet	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current assets	5,542	565	35,733	80,071	16,526	3,814
Current liabilities	38	38	5,070	4,782	4,995	6,474
<b>Net current assets</b>	<b>5,504</b>	<b>527</b>	<b>30,663</b>	<b>75,290</b>	<b>11,531</b>	<b>(2,660)</b>
Non Current assets	2,037	1,980	45,761	47,470	1,20,522	41,145
Non Current liabilities	-	-	-	369	1,45,329	43,292
<b>Net non-current assets</b>	<b>2,037</b>	<b>1,980</b>	<b>45,761</b>	<b>47,101</b>	<b>(24,807)</b>	<b>(2,147)</b>
<b>Net assets</b>	<b>7,541</b>	<b>2,507</b>	<b>76,424</b>	<b>1,22,391</b>	<b>(13,276)</b>	<b>(4,807)</b>
<b>Accumulated NCI</b>	<b>3,695</b>	<b>1,228</b>	<b>12,732</b>	<b>15,130</b>	<b>(163)</b>	<b>(48)</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

Summarised Statement of Profit and Loss	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Revenue	107	105	-	16,022	206	128
Profit for the year	34	24	(47,923)	(35,712)	(7,419)	(7,244)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>34</b>	<b>24</b>	<b>(47,923)</b>	<b>(35,712)</b>	<b>(7,419)</b>	<b>(7,244)</b>
Profit allocated to NCI	17	12	(2,422)	(1,786)	(74)	(72)
Dividend paid to NCI	-	-	-	-	-	-

Summarised cash flows	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash flows from operating activities	(118)	(24)	(48,215)	(42,274)	8,262	(28,729)
Cash flows from investing activities	100	105	2,966	3,376	(98,521)	(14,313)
Cash flows from financing activities	5,000	-	-	-	91,118	43,180
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,982</b>	<b>81</b>	<b>(45,249)</b>	<b>(38,898)</b>	<b>859</b>	<b>138</b>

**C) Transactions with non- controlling interests**

There are no transaction with non controlling interest in FY 2019-20 and FY 2018-19.

**D) Interests in associates**

Set out below are associates of the group as at March 31, 2020 which in the opinion of directors are not material to the group. The entities listed below have share capital consisting solely of equity shares which are directly held by the group.

Name of the entity	Principal place of business	% of ownership	Quoted fair value		Carrying amount	
			March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
SP Arrow Bio Polymer Products Private Limited	India	46	-*	-*	-	-
Sphere Bio Polymer Private Limited	India	49	-*	-*	-	-

\*Unlisted entity- no quoted price available.


**Notes to the Consolidated financial statements for the year ended March 31, 2020**

(All amounts in Indian ₹ in thousand unless otherwise stated)

**48 Additional information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.**

	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	Amount	As % of consolidated net asset	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Comprehensive income	Amount	As % of consolidated total Comprehensive income
Arrow Greentech Limited	5,76,823	73%	2,318	-2%	(122)	-3%	2,193	-2%
Arrow Green Technologies (UK) Limited (consolidated)	2,11,526	27%	(97,087)	95%	4,674	103%	(92,413)	95%
Arrow Secure Technology Private Limited	77	0%	12	0%	-	0%	12	0%
Avery Pharmaceuticals Private Limited	(13,275)	-2%	(7,419)	7%	-	0%	(7,419)	8%
LQ Arrow Security Products (India) Private Limited	7,541	1%	34	0%	-	0%	34	0%
<b>Total</b>	<b>7,82,692</b>		<b>(1,02,142)</b>		<b>4,552</b>		<b>(97,590)</b>	





**Notes to the Consolidated financial statements for the year ended March 31, 2019**  
(All amounts in Indian ₹ in thousand unless otherwise stated)

**49 AOC - 1**

Salient features of Financial Statements of Subsidiaries/Associate as per Companies Act, 2013

**Part A: Subsidiaries**

Name of Subsidiary Company	Reporting currency & Eq. in ₹	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
Arrow Green Technologies (UK) Limited	INR	1,871	1,48,298	1,51,634	1,465	2,335	14,842	(52,546)	-	(52,546)	-	100
Advance IP Technologies Limited	GBP	20	1,593	1,629	16	25	164	(583)	-	(583)	-	95
	INR	93	76,331	81,495	5,070	45,449	2,600	(47,925)	-	(47,925)	-	
	GBP	1	820	876	54	488	29	(532)	-	(532)	-	
Arrow Secure Technology Private Limited	INR	4,313	(4,236)	94	17	-	2	(15)	(27)	12	-	100
Avery Pharmaceuticals Private Limited	INR	2,500	(15,776)	1,37,049	1,50,324	-	206	(11,561)	(4,143)	(7,419)	-	99
LQ Arrow Security Products (India) Private Limited	INR	7,500	41	7,579	38	1,988	107	34	-	34	-	51

Exchange rates	INR	GBP
31-Mar-20	Avg. Rate	90.14
	Closing Rate	93.08

**Part B: Associate**  
Statement pursuant to Section 129 (3) of the Act related to associate company

Name of Associate Company	Last audited Balance Sheet date	Share of associate held by the Company on the year end		Net worth attributable to share holding as per the latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate is not consolidated
		Nos.	Amount of investment in associate		Extent of holding (%)	Considered in consolidation		
SP Arrow Bio Polymer Products Private Limited	31-Mar-20	4,600	46	(2,519)	-	(54)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-20	4,900	49	(74)	-	(58)	Refer note 1	Refer note 2

Notes

1. Significant influence due to percentage of holding.
2. Because the company does not have more than 51% shareholding directly or indirectly, i.e. no controlling interest.



## Notes to the Consolidated financial statements for the year ended March 31, 2020

(All amounts in Indian ₹ in thousand unless otherwise stated)

### 50 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances - e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the balance sheet. This is because the Group does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.:

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements:

	Gross and Net amounts of financial instruments in the Balance sheet	Related financial instruments that are not offset	Net amount
<b>31-Mar-20</b>			
<b>Financial assets</b>			
Derivate assets	-	-	-
<b>Total</b>			
<b>Financial liabilities</b>			
Derivative liabilities	1,468	-	1,468
<b>Total</b>			
<b>31-Mar-19</b>			
<b>Financial assets</b>			
Derivate assets	10	(10)	-
<b>Total</b>			
<b>Financial liabilities</b>			
Derivative liabilities	2,191	(10)	2,181
<b>Total</b>			

51 Based on its initial assessment, the Management is consciously optimistic that there may not be any significant medium to long-term impact on the business of the Group (including Associates) due to the COVID-19 pandemic. The Group (including Associates) has evaluated the possible effects of COVID-19 on the carrying amounts of property, plant and equipment, patents, inventory and trade receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are generally recoverable. Having regard to the above, and the Group's (including Associates) operating efficiency and gradually improving liquidity position, there may not be material uncertainty generally in meeting the financial obligations over the foreseeable future.

52 Comparative Previous Year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary to confirm to current year's classification and presentation.

For and on behalf of the Board of Directors of  
Arrow Greentech Limited

**Shilpan Patel**  
Managing Director  
DIN No - 00341068

**Neil Patel**  
Jt. Managing Director  
DIN No - 00607101

**Hitesh Punglia**  
Chief Financial Officer

**Poonam Bansal**  
Company Secretary

Place : Mumbai  
Date : June 30, 2020

# Watersol<sup>®</sup>



## Arrow's Water Soluble Film

- ☑ Dissolves in water
- ☑ Biodegradable
- ☑ Environmentally-safe

## POPULAR APPLICATIONS



AGRO CHEMICAL



DYE / ENZYME / CEMENT ADDITIVE



FISH BAIT



LIQUID DETERGENT



EMBROIDERY



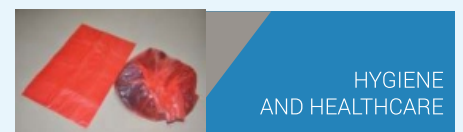
SEED TAPE



POWDER DETERGENT



TOILET BLOCK



HYGIENE AND HEALTHCARE



MOULD RELEASE



WATER TRANSFER PRINTING

*Dedicated to Innovation*

## MOUTH DISSOLVING STRIP (MDS)

**Mouth Dissolving Strips** are fast dissolving films that release API quicker than other formulations like tablets, capsules, oral disintegrating tablets, chewable tablets, and liquid dosage forms. These films are formulated to self-dissolve upon contact with saliva and do not require additional fluids for consumption.



### ADVANTAGES OF MDS

- ☑ Instantly dissolves on contact with saliva & releases the drug
- ☑ Instant onset of action
- ☑ Increased bioavailability of the drug
- ☑ No risk of choking
- ☑ No chewing or swallowing required
- ☑ Negligible weight and compactness, making it convenient for the patient to carry
- ☑ MDS leads to faster drug action than conventional tablets, capsules & liquids
- ☑ Easy and painless medicine delivery method
- ☑ Palatable due to added flavours

## MDS is suitable for



Geriatric



Pediatric



Mentally  
challenged



Bed-ridden  
patients



Mucositis



Dysphagia



Veterinary

## Production Unit ( Ankleshwar)





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