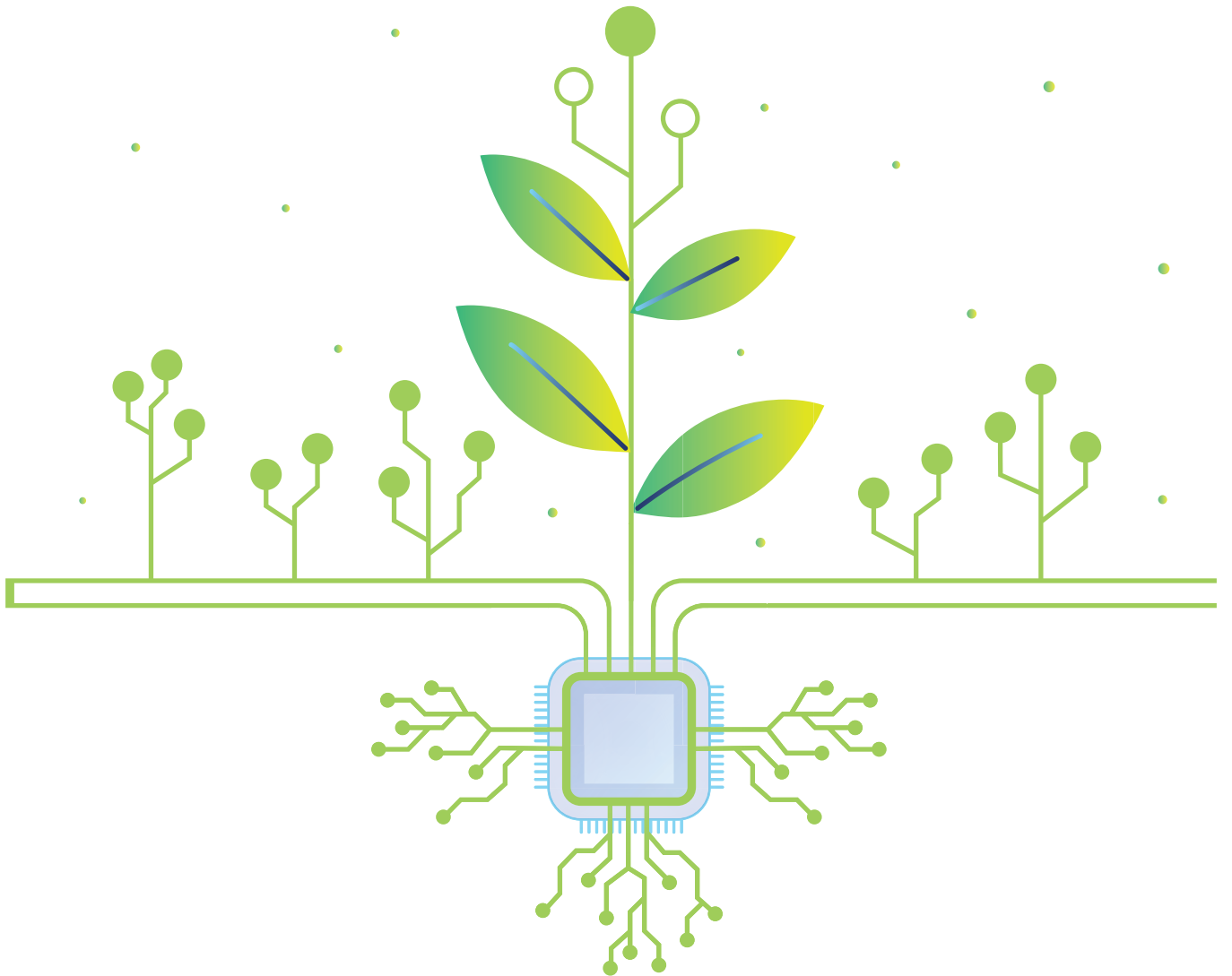
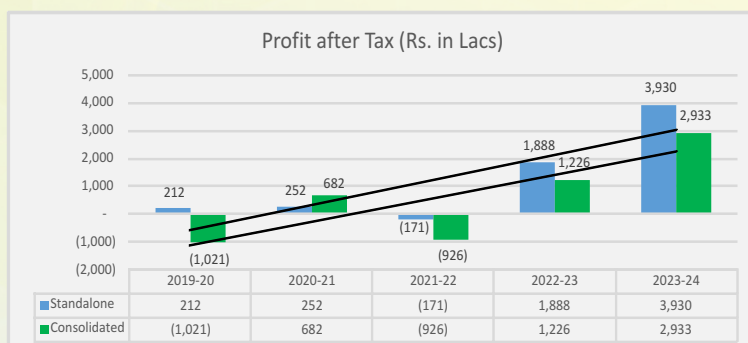
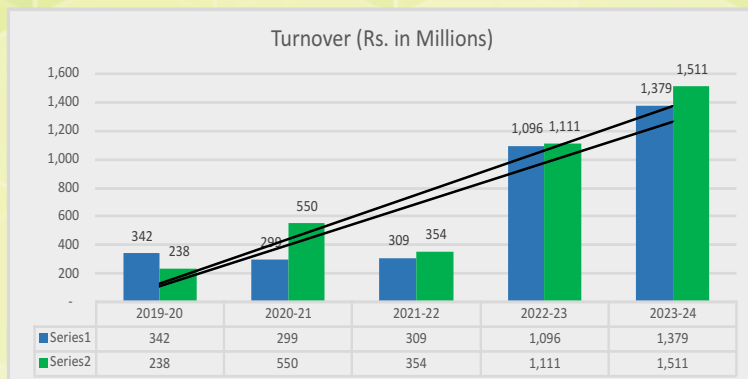


IMAGINATION TO INNOVATION



32nd ANNUAL REPORT | 2023-24

Financial Highlights at a glance



Contents

CORPORATE BRIEF AND STATUTORY REPORTS

Chairman Message	
Board of Director's	
Corporate Information	1
Notice	2
Director's Report	16
Management Discussion & Analysis Report	36
Report on Corporate Governance	40

FINANCIAL STATEMENTS

STANDALONE

Independent Auditor's Report	56
Balance Sheet	66
Statement of Profit and Loss	67
Cash Flow Statement	68
Statement of Changes in Equity	70
Notes	71

CONSOLIDATED

Independent Auditor's Report	117
Balance Sheet	124
Statement of Profit and Loss	125
Cash Flow Statement	126
Statement of Changes in Equity	128
Notes	129

Chairman Message

Dear Shareholders

As I reflect on the past fiscal year, I am filled with immense pride regarding our collective journey. Innovation has been the cornerstone of our progress, and our commitment to this principle has propelled us forward, enabling sustained growth and success year after year.

As we close the fiscal year ending March 2024, our accomplishments stand as a testament to our dedication. We have continued to lead in delivering innovative and eco-friendly solutions, all while prioritizing sustainability and enhancing company performance. Despite the challenging global economic conditions, our resilience has shone through. I would like to acknowledge the exceptional leadership of our Joint Managing Director, Mr. Neil Patel, and his dynamic team, whose efforts have kept us on the right track toward our vision and mission. We have indeed had the best year till date, and we have just begun! Kudos to our KMPs, who have worked in a very focused manner, keeping an eye on the target, to deliver best results, now as well as going forward. This objective has also been fulfilled by every level of our team, due to the tenacity, loyalty, courage and focus on doing the right thing.

Innovative Relentlessly:

We are driven by a commitment to continuous innovation and market leadership. Our R&D team and IP Cell have made significant strides, resulting in valuable inventions and new processes that are likely to yield additional patents. Our intellectual property portfolio has been recognized with awards from the DPIIT and the Ministry of Commerce, positioning us at the forefront of India's global innovation efforts.

Our Water-Soluble Film segment has shown a consistent upward trend in revenue, underscoring the market's growing confidence in our innovative solutions. Revenue from our Water-Soluble Film is rising, with promising field trials for new variants set to drive future success. We hope to add some bigger clients in this segment, with new variants of WSF having customer and product oriented controlled properties.

Our High-tech segment has experienced a significant increase in revenues and an expanded order book, particularly in the high-security products and intellectual property sectors. This year, our focus remains firmly on the development, indigenization, and export of anti-counterfeit products and other high-security products. We intend to foray into diverse fields like brand protection, as Indian Manufacture goes global, we see a good opportunity in this segment. We align with the Atma-Nirbhar India initiative to boost revenues, foreign exchange earnings, and national economic growth through our high-tech security products.

Moreover, our subsidiary, Avery Pharmaceuticals Private Limited, is making slow but notable strides with mouth dissolving strips (MDS), positioned as a Novel Drug Delivery System (NDDS). We have successfully completed our first CDMO contract and also got repeat order and working on getting more such contracts. We recognize the importance of sustainability in today's world and thus, our efforts are directed towards developing products that not only excel in performance but also minimize environmental impact.

Embracing the Atma Nirbhar Bharat Vision

Our company is steadfast in aligning with the Hon. Prime Minister's vision of Make in India and Atma Nirbhar Bharat. We are proactively engaging in various government procurement tenders and exploring opportunities in niche markets that serve as import substitutes, thereby expanding

potential avenues for growth. We appreciate the Government of India's recent amendments to procurement policies and MSME reforms, which support and benefit Indian enterprises. Additionally, we are focused on leveraging our state-of-the-art equipment and technology to explore related security product markets. We will keep you updated on our progress, while respecting the confidentiality agreements that govern these initiatives.



Performance Review

We have every reason to be enthusiastic about our future prospects and the path ahead. Our commitment in delivering high-tech value-added products, coupled with a strong focus on sustainability, has been a journey we all take pride in.

Before delving into the financial details, I would like to highlight about net zero debt status of the company and along with that improvements in key financial metrics, will enhance our Return on Capital Employed (ROCE) and Return on Equity (ROE).

This year, we achieved our highest-ever sales, driven by our exploration into new fields, which promises substantial future benefits. Our R&D Team and IP Cell have infused fresh thinking into their work, resulting in significant inventions and new processes. These advancements are expected to lead to additional patents and strengthen our long-standing customer relationships.

Our revenue has increased by 36% to Rs. 1,511 million and Profit After Tax (PAT) has more than doubled, showing an impressive year-on-year growth of 141%, rising from Rs. 123 million in FY2022-23 to Rs. 293 million in FY2023-24.

Way Forward:

We are committed to investing in our people, processes, research and development, intellectual property, and technology. Our focus will remain on developing cutting-edge, high-tech products while exploring and integrating eco-friendly innovations from around the world into our operations in India, paving the way for future business transformation. We will continue to drive growth in our subsidiaries both domestically and internationally, seeking to enhance profitability across these ventures. As we remain creative and dynamic, we are dedicated to balancing both top-line growth and bottom-line performance to maximize shareholder value. We are deeply grateful for the unwavering support of our stakeholders and team members, and we remain steadfast in upholding our moral and ethical values.

Namaskar,

Shilpan P. Patel
Chairman & Managing Director



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

Mr. Shilpan Patel aged 68 years 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 40 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



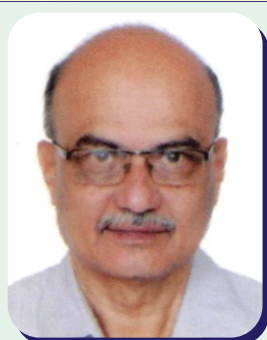
Mr. Neil Patel aged 38, is Joint Managing Director of our Company. He holds a Master of Science in BioMedical Science from Kingston College, London. With a keen entrepreneurship spirit and outstanding organizational capabilities, he is well-positioned to lead and oversee the Company's operations. Mr. Patel has been an integral part of the Company since 2009.

He currently serves as a member of both Audit Committee and Stakeholders Relationship Committee of the Company. Initially appointed to our board as an Additional Director on June 1 2012, he was subsequent confirmed as a Director at the following Annual General Meeting. His current term commenced at the Annual General Meeting held on September 29, 2020.



Mr. Haresh Mehta, aged 71 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 the Annual General Meeting held on September 07, 2019.



Mr. Prashant Sushilchandra Mehta aged 69 years is an Independent Director of our Company. He is a Company Secretary by Profession.

He has done his graduation in Commerce in 1976 from Narsee Monjee College of Commerce and Economics, and Law in 1978 from New Law College, Mumbai.

He has more than 40 years of experience in legal and Secretarial field and had worked in the past in leading Companies like Premier Ltd, Jindal Iron and Steel Co Ltd. (JISCO) which is now known as JSW Steel, Shoppers Stop.

He is Chairman of Nomination & Remuneration Committee and member of Audit Committee and Stakeholders' Relationship Committee of the Company.

He has appointed to our board for the first time on 13th February 2024 as an Additional Director & approved as a Director by the shareholders through postal ballot on 29th March 2024. His current term started from 13th February 2024.



Mrs. Barkharani Harsh Nevatia aged 30 years is an Independent Woman Director of our Company. She is a Chartered Accountant by Profession, practicing in Pune and formerly in Mumbai. She holds a Bachelor of Legislative Law (LLB) Degree from Mumbai University and has graduated from the esteemed Narsee Monjee College of Commerce and Economics, Mumbai. She has experience in the fields of corporate tax compliances and statutory audits, with extensive focus on GST and Income Tax.

She is member of Nomination & Remuneration Committee and Audit Committee of the Company.

She has appointed to our board for the first time on 13th February 2024 as an Additional Director & approved as a Director by the shareholders through postal ballot on 29th March 2024. Her current term started from 13th February 2024.



Mrs. Jigisha Patel aged 67 years is the Non-Executive Non-Independent Woman Director 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 14th July 2020 as an Additional Director and then ratified at the Annual General Meeting held on September 29, 2020.



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
Mrs. Jigisha Patel	Woman Director
Mr. Prashant Mehta	Independent Director (Appointed w.e.f 13th February 2024)
Mrs. Barkharani Nevatia	Independent Director (Appointed w.e.f 13th February 2024)
Mr. Harish Mishra	Independent Director (Completion of Tenure on 31st March 2024)
Mr. Dinesh Modi	Independent Director (Completion of Tenure on 31st March 2024)

CHIEF FINANCIAL OFFICER:

Mr. Hitesh Punglia

COMPANY SECRETARY :

Mrs. Poonam Bansal

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

COST AUDITORS:

M/s. Dilip M Bhatija
Cost Accountant
Ulhasnagar

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 India Private Limited (RTA), to enable us to send all the documents through electronic mode in future.

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



NOTICE OF THE 32ND ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of Arrow Greentech Ltd. will be held on, Monday, the September 16, 2024 at 3:00 PM. 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, 2024 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares for the the year ended March 31, 2024.
3. To appoint a Director in place of Mr. Neil S Patel, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2024-25 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013, by passing with or without modification(s), the following resolution as **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of Rs.80,000/- (Rupees Eighty Thousand Only) excluding applicable Tax payable to Mr. Dilip M Bathija, Cost Accountants, Mumbai, for conducting cost audit of the Company for the financial year 2024-25, as approved by the Board of Directors of the Company, be and is hereby ratified".

5. **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 1st April 2025 till 31st March 2030 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. Shipan 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. Shipan P Patel as Managing Director, Company may pay Mr. Shipan 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."

6. **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 S Patel, as Joint Managing Director for a further term of 5 (Five) consecutive years commencing from 1st April 2025 till 31st March 2030 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 S 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 S Patel as Joint Managing Director, Company may pay Mr. Neil S 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 S 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.”

7. To approve adoption of Arrow Greentech ESOP Scheme – 2024 (“Scheme”)

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, including any amendment thereto or re-enactment thereof for the time being in force, Regulation 6(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (“**SEBI (SBEB & SE) Regulations**”), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI (LODR) Regulations**”), relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/ Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/ imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/ or sanction(s), the consent of the Members of the Company be and is hereby accorded for approval of Arrow Greentech ESOP Scheme – 2024 (“**Scheme**”) and the Board of Directors (hereinafter referred to as the “**Board of Directors**” or “**Board**” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee and/ or Compensation Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution) be and is hereby authorised to create, grant, offer, issue and allot under the Scheme, in one or more tranches, 2,25,000 (Two Lakh Twenty Five Thousand) Employee Stock Options (“**Options**”) (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of the Employees and Directors of the Company in India or outside India, and to such other persons as may, from time to time, be allowed to be eligible for the benefits of the Scheme (as permitted under the applicable laws from time to time), exercisable into not more than 2,25,000 (Two Lakh Twenty Five Thousand) Equity Shares of face value of Rs. 10/- each of the Company (“**Shares**”) (or such other adjusted figure for any corporate action including bonus, stock splits or consolidations or other reorganization of the capital structure of the Company, as may be applicable from time to time) on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.

RESOLVED FURTHER THAT the Scheme shall be administered by the Nomination and Remuneration Committee (“**Committee**”) of the Company who shall have all necessary powers as defined in the Scheme and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB & SE) Regulations for the purpose of administration and superintendence of the Scheme.

RESOLVED FURTHER THAT the Scheme shall be implemented through direct route wherein fresh Equity Shares shall be allotted to the Employees in terms of the Scheme.

RESOLVED FURTHER THAT the Shares, if any, to be issued and allotted by the Company under the Scheme shall rank pari passu in all respects with the then existing Shares of the Company.

RESOLVED FURTHER THAT the Board of Directors is empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable law to the terms of grant and/or offer made under the Scheme in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, or sub-division or consolidation of the Shares.

RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the Board of Directors, subject to compliance with the SEBI (SBEB & SE) Regulations and other applicable laws, rules and regulations, be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Merchant Banker(s), Advisor(s), Scrutinizer(s), Consultant(s) or Representative(s), being incidental for the effective implementation and administration of the Scheme and to make application(s) to the appropriate Authorities, for their requisite approval(s) and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.



RESOLVED FURTHER THAT any of the Directors of the Company and/ or Company Secretary of the Company be and is hereby authorized to take necessary steps for listing of the securities allotted under the Scheme on the Stock Exchange(s), where the securities of the Company are listed as per the provisions of the SEBI (LODR) Regulations and the Listing Agreement(s) with the concerned Stock Exchange(s) and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board of Directors be and are hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution.”

NOTES:

1. 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.
2. The Ministry of Corporate Affairs, Government of India (“MCA”) vide its General Circular Nos. 09/2023 dated 25th September, 2023 and 20/2020 and 10/2022 dated 5th May 2020 and 28th December 2022, respectively, and other circulars issued in this respect (“MCA Circulars”) allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means (“VC/OAVM”) facility on or before 30th September 2024, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India (“SEBI”) also vide its Circular No. SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 (“SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In compliance with these Circulars, provisions of the Act and the Listing Regulations, physical attendance of the Members to the annual general meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Accordingly, this AGM is being convened through VC/OAVM in compliance with the said applicable provisions. The deemed venue for the AGM shall be the Registered Office of the Company. Since the AGM will be held through VC/ OAVM facility, the Route Map is not annexed in this Report.
3. 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, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and 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.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 13, 2024 to Monday, September 16, 2024 (both days inclusive) for the purpose of distribution of dividend on equity shares and Annual General meeting of the Company.
10. During the year amount of Unclaimed Final Dividend for financial year 2016-17 is due for deposit to the Investors Education and Protection Fund on 19th October, 2024.
11. In case the Dividend has remained unclaimed for the financial years 2016-17 to 2018-19 and 2022-23 (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 13, 2024 through email on 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.

The remote e-voting period commences on Friday, September 13, 2024 (9:00 a.m. IST) and ends on Sunday, September 15, 2024 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, September 09 2024 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div>



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Votig period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- 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.
 - Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
 - A new screen will open. You will have to enter your User ID, your Password/OTP 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 :

	Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - 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 from your mailbox. 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'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- 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.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.



- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

A. GENERAL GUIDELINES FOR SHAREHOLDERS

- 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 with a copy marked to evoting@nsdl.co.in
- 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.
- 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 1020 990 and 1800 22 4430 or send a request at evoting@nsdl.co.in.
- 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 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.

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:

- 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
- 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). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
- Members are encouraged to join the Meeting through Laptops for better experience.



3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 from Monday, September 09, 2024 (9:00 a.m. IST) to Friday, September 13, 2024 (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.

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 and seeking approval for increase in remuneration is furnished below:

Mr. Shilpan P Patel, aged 68 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 P 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 Business Advisory Pvt Ltd., Arrow Secure Technology Pvt Ltd., Grace Paper Industries Pvt. Ltd., Sparrow Biopolymer Products Private Limited, Arrow Agri-Tech Pvt. Ltd., Avery Pharmaceuticals Pvt. Ltd., LQ Arrow Security Products (India) Pvt. Ltd., Arrow Green Technologies (UK) Ltd., Advance IP Technologies Limited and Advance Secure Products B.V.. He is also a member of CSR Committee of the Company. As on 31st March 2024, he held 54,06,346 shares in the Company.

Mr. Neil S Patel, aged 38 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, Arrow Business Advisory Private Limited, Avery Pharmaceuticals Private Limited, Arrow Secure Technology Pvt. Ltd. and Advance Iris Seprinto Private Limited and Arrow Green Technologies (UK) Ltd. & Advance IP Technologies Ltd. He is also a member of Audit Committee and Stakeholder Relationship Committee of the Company.

As on 31st March 2024, he held 5,39,810 shares in the Company.



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

Item No. 4: Ratification of Remuneration to Cost Auditors for FY 2024-25

The Board, on the recommendation of the Audit Committee, has approved in its meeting held on August 03, 2024, the re-appointment of Mr. Dilip M Bathija, Cost Accountants, Mumbai, at a remuneration of Rs.80,000/- (Rupees Eighty Thousand only) excluding applicable Tax to conduct the Cost Audit of the Company for the financial year 2024-25.

In accordance with the provisions of Section 148 (3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit & Auditor Rules), 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution. The Board of Directors recommends the Ordinary Resolution for your approval.

Item No. 5:

The tenure of Mr. Shilpan P Patel as Managing Director will expire on 31 March 2025. The Board of Directors of the Company at its meeting held on 3rd August 2024 as per the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders, re-appointed Mr. Shilpan P Patel as Managing Director of the Company for a period of 5 (Five) years w.e.f. 1st April, 2025.

The specific terms of appointment including remuneration payable to Mr. Shilpan P 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 2025 upto 31st March 2030.

2) Remuneration payable:

- (a) Salary of Rs. 9,00,000 per month (Rs. 1,08,00,000 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. 5 except Mr. Shilpan P Patel, the appointee, Mr. Neil S Patel, Jt. Managing Director and Mrs. Jigisha Patel, Non Executive Non Independent Woman Director of the Company and other relatives of Mr. Shilpan P 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 Special Resolutions set out at Item No.5 of the Notice for approval by the shareholders.

Item No. 6:

The tenure of Mr. Neil S Patel as Jt. Managing Director will expire on 31 March 2025. The Board of Directors of the Company at its meeting held on 3rd August 2024 as per the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders, re-appointed Mr. Neil S Patel as Joint Managing Director for a further term of 5 (Five) years with effect from 1st April 2025.



The specific terms of appointment including remuneration payable to Mr. Neil S 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 1st April 2025 upto 31st March 2030.

2) Remuneration payable:

- (a) Salary of Rs. 9,00,000 per month (Rs. 1,08,00,000 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. 6 except Mr. Neil S Patel, the appointee and Mr. Shilpan P Patel, Managing Director and Mrs. Jigisha Patel, Non Executive Non Independent Woman Director of the Company and other relatives of Mr. Neil S Patel are interested in the resolution as set out at Item No.6 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. 6 of the Notice for approval by the shareholders.

Item No. 7:

The employees of any entity are one of its most important resources and assets. Your Company also fully recognizes the same and wants its employees to participate and share the fruits of growth and prosperity along with the Company. Your Company believes in rewarding its employees including Directors of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path.

The Company intends to implement the employee stock option scheme in the name of Arrow Greentech ESOP Scheme – 2024 ("Scheme"), with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability of the Company.

The present pay structure, allowances, facilities etc. of Key Managerial Personnel and all the permanent employees are as per cost-to-company (CTC) salary structure approved by the Board of Directors and/or the Nomination and Remuneration Committee from time-to-time in line with the salary structure prevalent in industry. The Company adopts policies with the objective to motivate employees to excel in their performance and to recognize their contribution.

The Board of Directors of the Company understands the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company. Equity based remuneration includes alignment of personal goals of the employees with organisational objectives by participating in the ownership of the Company.

In order to reward and retain the employees and to create a sense of ownership and participation amongst them, the Board of Directors has in its meeting held on August 03, 2024 approved the Scheme to or for the benefit of such eligible employees as defined in the Scheme and explained in the explanatory statement annexed to this notice.



In terms of Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021, as amended (“SEBI (SBEB & SE) Regulations”) and Section 62 and other applicable provisions of the Companies Act, 2013, for issue of Shares to employees of the Company under an employee stock option scheme, requires an approval of the existing Members by way of Special Resolution(s).

The Special Resolution(s) set out at this Item is seeking your approval for the formulation and implementation of the Scheme and issuance of the Shares thereunder.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) of SEBI (SBEB & SE) Regulations are as under:

1. Brief Description of the Scheme:

This proposed scheme shall be called as Arrow Greentech ESOP Scheme – 2024 (“Scheme”) and it shall provide one of the alternatives to the Company to grant employee stock options (“Options”) to eligible employees (as selected by the Nomination and Remuneration Committee / Compensation Committee) of the Company (“Employees”).

Subject to applicable law and terms & conditions of the Scheme, the Employees shall be entitled to receive Equity Shares of face value of Rs. 10 each (“Shares”) under the Scheme upon fulfilment of those conditions. Under the Scheme, the Options will be granted to the Employees which will entitle them to subscribe to the Shares within a certain period of time (“Exercise Period”) at a price determined as per terms of the Scheme (“Exercise Price”) upon fulfilment of vesting conditions (“Vesting”).

The purpose of the Scheme includes the following:

- a. To attract the relevant talent into the Company to drive its growth plans; and
- b. To motivate the Employees with incentives and reward opportunities and motivate them to contribute to the growth and profitability of the Company; and
- c. To retain the Employees and reduce the attrition rate of the Company; and
- d. To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company; and
- e. To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come; and
- f. To provide additional deferred rewards to the Employees.

2. The total number of Options to be offered and granted under the Scheme:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 2,25,000 (Two Lakh Twenty Five Thousand) which shall have entitlement to receive the equal number of Shares.

If any Options granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Options shall be available for further grant under the Scheme unless otherwise determined by the Board of Directors and/or the Nomination and Remuneration Committee and/ or Compensation Committee (“Committee”).

Further, the maximum number of Options that can be granted and the Shares arise upon exercise of these Options shall stand adjusted in case of corporate action(s) (such as bonus, stock splits or consolidations or other reorganization of the capital structure of the Company etc., as may be applicable from time to time as defined in the Scheme).

3. Identification of classes of the Employees entitled to participate and be beneficiaries in the Scheme:

- a. an employee as designated by the Company, who is exclusively working in India or out of India; or
- b. an Executive Director or Whole–Time Director or Managing Director of the Company; but does not include -
 - i. a contractual employee of the Company; or
 - ii. an employee or Director who is a Promoter or a person belonging to the Promoter Group of the Company; or
 - iii. a Director who either himself or through his Relative or through any Body Corporate directly or indirectly, holds more than ten percent of the outstanding Shares of the Company; or
 - iv. an Independent Director and Non- Executive Director of the Company.

4. Requirement of Vesting and period of Vesting:

Vesting period shall commence from the grant date and shall be minimum of 1 (One) year from the date of grant and it may extend upto maximum of 3 (three) years from the date of grant, at the discretion of and in the manner prescribed by the Committee and set out in the letter of grant.

Vesting of Options can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.

The Vesting would be subject to the continued employment of the Grantee and may further be linked with certain performance and other criteria, as determined by the Committee and mentioned in the letter of grant.



5. Maximum period within which the Options shall be vested:

Maximum period within which the Options shall be vested is 3 (three) years from the date of grant of the Options. This period is as per compliance of Regulation 18(1) of the SEBI (SBEB & SE) Regulations.

6. Exercise Price or Pricing Formula:

Under this Scheme, the exercise price for Options will be at 25% discount and shall be decided by the Committee as on date of the grant of the Options. The exercise price for Options shall be lower of the following:

a. 75% of the Market Price of the Shares of the Company;

or

b. 75% of the Volume Weighted Average Market Price for three years of the Shares of the Company on the Recognised Stock Exchange having highest trading volume.

Provided that the Exercise Price per Option shall not be less than face value of the Share.

For the above purpose the "Market Price" means the latest available closing price on the Recognized Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date (i.e. the date of grant).

Explanation – As the Shares of the Company are listed on more than one recognized stock exchange, therefore, the closing price on the recognized stock exchange having higher trading volume shall be considered as the Market Price.

7. Acceptance of offer, Exercise period and process of Exercise:

The maximum time period to accept the offer (for the Options offered pursuant to the Scheme), by the Employees shall be 30 (thirty) days from the date of receipt of the offer to accept such Options.

After vesting, Options can be exercised within 3 (Three) years from the date of respective vesting, either wholly or in part, through Cash Mechanism after submitting the application for Exercise with total payment to be made as per the Exercise Price, alongwith applicable taxes and other charges, if any.

In the event the Option holder fails to exercise his/her vested Options within the Exercise Period, then such vested Options to subscribe to the Shares, shall lapse and added back to the plan pool of the Scheme.

To exercise the Options, the Option holder will be required to submit an application for exercise (Exercise Letter) to the Committee in such manner and on such format as may be prescribed by the Committee from time to time, which shall be annexed with the letter of grant.

The mode and manner of the exercise of the Options shall be communicated to the Grantees individually.

8. The appraisal process for determining the eligibility of the Employees for the Scheme:

The appraisal process for determining the eligibility of the Employees will be decided by the Nomination and Remuneration / Compensation Committee from time to time which shall be based on the factors such as performance of the employee for the past financial years (or for the period of his service), onboarding incentive for new employees, attracting talent, position and responsibilities of the concerned employee, the nature and tenure of employee's services to the Company, the employee's present and potential contribution to the success of the Company and such other factors as the Committee deems relevant for accomplishing the purpose of the Scheme.

Further the appraisal process of determining the eligibility of the Employees will be based on designation, qualification, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

9. The maximum number of Options to be offered and granted per Employee and in aggregate:

The maximum number of Options that may be offered and granted pursuant to this Scheme to any Employee in any year shall in aggregate not more than 75,000 (Seventy Five Thousand) Options i.e. less than 0.50% of the of the number of issued, subscribed and paid-up equity share capital of the Company at the time of grant of Options.

The total aggregate Options to all Employees shall not exceed 2,25,000 (Two Lakh Twenty Five Thousand) which shall be exchangeable into equal number of Shares, which shall be less than 1.50% of the number of issued, subscribed and paid-up equity share capital of the Company.

Subject to availability of Options in the pool under the Scheme, the maximum number of Options that can be granted to the Employee(s) during any one year shall be less than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of such grant.

The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) to the Employee(s) as the case may be, subject to obtaining the separate approval of the Shareholders in a general meeting.



10. The maximum quantum of benefits to be provided per Employee under the Scheme:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 2,25,000 (Two Lakh Twenty Five Thousand) which shall be exchangeable into equal number of Shares. The maximum quantum of benefits that will be provided to every Employee under the Scheme will be the difference between the market value of Share of the Company on the Recognized Stock Exchanges as on the date of Exercise of Options and the Exercise Price paid by the Employee.

11. Whether the Scheme(s) is to be implemented and administered directly by the Company or through a trust:

The Scheme shall be implemented and administered directly by the Company. The Scheme shall be implemented through direct route for extending the benefits to the Employees by the way of fresh allotment and will follow cash mechanism.

Provided that if prevailing circumstances so warrant, the Company may change the mode of implementation of the Scheme subject to the condition that a fresh approval of the Shareholders by a special resolution is obtained prior to implementing such change(s) and that such change(s) is not prejudicial to the interests of the Grantee(s).

The Scheme shall be administered by the Nomination and Remuneration Committee or Compensation Committee which may delegate some or all of its power to any other sub – committee or Person(s) for proper administration of the Scheme.

12. Whether the Scheme involves new issue of Shares by the Company or secondary acquisition by the trust or both:

The Scheme involves new issue of Shares by the Company.

13. The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Not applicable, since the Scheme is proposed to be implemented by direct route. No loan shall be provided to any employee or any trust or any entity for the implementation of the Scheme by the Company

14. The maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the Scheme:

Not applicable, since the Scheme is proposed to be implemented by direct route.

15. Disclosure and accounting policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations or as may be prescribed by regulatory authorities from time to time.

Further, the Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

Further, the Company shall disclose all relevant information of the Scheme as per the requirements of IND – AS 102 in its financial statements, time to time.

16. The method which the Company shall use to value its Options:

The Company shall comply with the requirements of IND – AS 102 and shall use fair value method value its Options and the fair value of Options would be calculated as per the prescribed method under the applicable regulations.

17. Statement with regard to Disclosure in Director's Report:

As the Company is adopting fair value method, presently there is no requirement for disclosure in Director's Report. However, if in future, the Company opts for expensing of share-based employee benefits using the intrinsic value, then, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

18. Period of lock-in:

The Shares to be allotted to the Grantee(s), pursuant to exercise of Options, shall not be subject to any lock-in period.

19. Terms & conditions for buyback, if any, of specified securities:

The procedure for buy-back of Options granted under the Scheme, if to be undertaken at any time by the Company, shall be on the applicable terms and conditions, in accordance with the applicable laws.

20. Any intend to grant the Options to the subsidiary company(ies) and/ or holding company of the Company under the Scheme:

The Company does not intend to grant any Option to employees of its subsidiary company(ies) and/ or holding company under the Scheme.



21. Any intend to grant the Options to the identified Employees during any one year, equal to or exceeding 1% of the issued share capital of the Company under the Scheme:

The Company does not intend to grant Options which are equal to or exceeding 1% of the issued share capital of the Company to any single employee or the Employees during any one year under the Scheme.

In terms of Section 62(1)(b) and other applicable sections, if any, of the Companies Act, 2013 and Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended and all other applicable provisions, if any, the approval of the Members is sought by way of Special Resolution for the approval of the Scheme.

A draft copy of the Scheme is available for inspection at the Company's Registered Office on all working days (excluding Saturday, Sunday and Holidays) till the date of the General Meeting.

Therefore, the Board of Directors of the Company recommend the Resolution(s) as set out at this Item for your approval as Special Resolutions.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of the Shares held by them in the Company or any Options that may be offered and/or granted to them (along with the resultant Shares to be issued to them) in accordance with the Scheme.

The Scheme and other documents referred to in the aforesaid resolutions are available for inspection electronically in the Investor's Section of the website of the Company at www.arrowgreentech.com

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

Poonam Bansal
Company Secretary

Mumbai, August 03, 2024

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 32nd Annual Report on the operations of the Company, together with the Audited Accounts for the year ended 31st March, 2024.

Financial Result

(Rupees in lakhs)

Particulars	FY 2023-2024	FY 2022-2023
Total income	13,785	10,962
Profit (Loss) before finance cost, Depreciation and Amortization expenses, exceptional	5,743	3,192
Less : Finance Cost	34	104
Less : Depreciation and Amortization expenses	474	428
Less: Exceptional items	-	-
Profit Before Tax	5,235	2,660
Less : Provision for Taxation		
- Current Tax	1,383	655
- Deferred Tax items & Tax	(46)	170
- Earlier Year Tax Adjustment	(32)	(53)
Profit for the year	3,930	1,888
Other Comprehensive Income	(8)	(8)
Profit for the year after other comprehensive income	3,922	1,880
Add : Balance brought forward	5,340	3,460
Less: Ind AS Adjustment	-	-
Less : Dividend Paid (related to previous year)	(151)	-
Balance carried to Balance Sheet	9,111	5,340

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 Rs. 13,785 Lacs as compared to Rs. 10,962 Lacs in the previous year. The Company has earned net profit of Rs. 3,922 Lacs (including other comprehensive income) as compared to Rs. 1,880 Lacs in the previous year. After payment of dividend of Rs. 151 Lacs and adjustment of brought forward balance of Rs. 5,340 Lacs from previous year, Rs. 9,111 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

Your Directors have recommended a Dividend of 20% on 1,50,87,938 Equity Shares of the face value of Rs. 10/- i.e. Rs.2/- per equity share for the financial year ended 31st March 2024 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The dividend would be payable to all those Shareholders whose names appear in the Register of Members as on the Book Closure Date.

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.



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	–	Rs.1494 Lakhs (previous year Rs. 1140 Lakhs)
Foreign Exchange outgo	–	Rs.2531 Lakhs (previous year Rs. 1610 Lakhs)

Auditors And Auditors' Report

Statutory Auditors

Members of the Company at the AGM held on September 29, 2021, approved the re-appointment of M/s. Haribhakti & Co. LLP, as the statutory auditors of the Company to hold office for their second term of 5 (five) years from the conclusion 29th Annual General Meeting till the conclusion of 34th Annual General Meeting for the financial year 2025-26. 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 2023-2024. The Secretarial Audit Report for the financial year ended March 31, 2024 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.

Cost Auditors:

Mr. Dilip M Bathija, Cost Accountants, have conducted audit of Cost Accounting Records in respect of the Financial Year 2023-24 and report thereon shall be finalized and filed as statutorily provided. The Board on recommendation of the Audit Committee has re-appointed Mr. Dilip M Bathija, Cost Accountants for the FY 2024-25 at a remuneration of Rs.80,000 (Rupees Eighty thousand only) plus applicable taxes and out of pocket expenses has been fixed for the Cost Auditors subject to the ratification of such fees by the shareholders at the 32nd Annual General Meeting. The Company has maintained cost records as specified under section 148(1) of the Companies Act, 2013.

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, 2024 there were 4 subsidiaries and 2 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)

Advance Secure Products B.V. (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 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 and can be accessed at http://www.arrowgreentech.com/images/policies/Policy_on_Material_Subsidiaries.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

The Paid up Share Capital as on March 31, 2024 was Rs.15.09 crore. During the year under review, the Company has not issued any shares.

Directors and Key Managerial Personnel

Mr. Dinesh Modi (DIN: 00004556), and Mr. Harish Mishra (DIN: 05301127) had completed their second and final term as an Independent Director and consequently ceased to be a Director & Members in the Committees of the Company w.e.f. the close of business hours on March 31, 2024. The Board of Directors and the Management of the Company expressed deep appreciation and gratitude to Mr. Dinesh Modi and Mr. Harish Mishra for their extensive contribution and stewardship.

The Board, upon the recommendations of the Nomination and Remuneration Committee, at its Meeting held on 13th February 2024, appointed Mr. Prashant Mehta (DIN:02225808) and Mrs. Barkharani Nevatia (DIN: 08531880) as an Additional (Independent) Director of the Company w.e.f. 13th February 2024. Necessary resolution for seeking approval of members for their appointment in the said office is approved by shareholders through Postal Ballot on 29th March 2024.

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 Mrs. 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, 2024 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, 2024, 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

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 31st March, 2024 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: 25th May 2024

Shilpan P Patel
Chairman & Managing Director
DIN: 00341068



ANNEXURE I

FORM NO. MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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.,
 1/F, Laxmi Industrial Estate,
 New Link Road,
 Andheri (W),
Mumbai 400 053

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 (CIN: L21010MH1992PLC069281)** (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, 2024** complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Company for the financial year **ended on 31st March 2024** 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
- (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) The Securities and Exchange Board of India (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.
 - b. The payment of Bonus Act 1965
5. Income Tax Act, 1961 related to Tax Deducted at source and related to Advance tax
6. Land Revenue laws of respective States.
7. Goods and Service Tax Act.
8. Patents Act.

I have relied on the representation/certificates issued 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 Bombay Stock Exchange 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 passed three special Resolutions

1. Pertaining to sell, or transfer or otherwise dispose –off its whole or part of the shareholding in Avery Pharmaceuticals Limited , the wholly owned subsidiary.
2. Appointment of Mr. Prashant Mehta and Mrs. Barkharani Nevatia

I further report that during the Audit Report two ordinary Resolutions were passed for increasing the remuneration payable to the Managing Director and to the joint Managing Director.

I further report that other than above no specific events occurred which had the bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Rajendra and Co.,
Company Secretaries

(CS Rajendra Vaze)
Company Secretary

FCS No : .4247
C.P.No : 1975

UDIN :F004247F000450220

Place : Mumbai
Date : 25th May 2024

Peer Review No 2807/2022
Unique Identification No S1993MH011200

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

(CS RajendraVaze)
Company Secretary

FCS No . 4247
C.P. No 1975

UDIN : F004247F000450220

Place: Mumbai
Date : 25th May 2024

Peer Review No 2807/2022
Unique Identification No S1993MH011200



(All amounts in Indian rupees in lakhs unless otherwise stated)

ANNEXURE II 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	21	1,223	1,344	100	586	291	47	12	35	-	100.00
	GBP	0.20	12	13	1	6	3	0	0	0	-	
Advance IP Technologies Limited	INR	1	997	1,211	213	16	295	(409)	-	(409)	-	95.00
	GBP	0.01	9	12	2	0	3	(4)	-	(4)	-	
Advance Secure Products B. V.	INR	9	123	391	259	-	1,283	248	48	200	-	100.00
	GBP	0.09	1	4	2	-	12.33	2	0	2	-	
Arrow Secure Technology Private Limited	INR	43	-43	0	0	-	-	0	-	(0)	-	100.00
Avery Pharmaceuticals Private Limited	INR	71.45	1955	2249	222	0	129	-870	-224	(646)	-	99.65
LQ Arrow Security Products (India) Private Limited	INR	75	5	87	7	21	49	4	1	4	-	51.00

Exchange rates	INR	GBP
31-Mar-24	Avg. Rate	104.07
	Closing Rate	105.29

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	Not Considered in consolidation			
SP Arrow Bio Polymer Products Private Limited	31-Mar-24	4,600	46	46%	(56)	-	(0)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-24	4,900	49	49%	(2)	-	(0)	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.



ANNEXURE III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2024

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 th 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	1/F Laxmi Industrial, Estate New Link Road , Andheri (West) Mumbai 400 053, Maharashtra Ph: 022 4974 3758 Email – poonam@arrowgreentech.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. 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	18
2	Royalty Income -Patent	77	1
3	Anti Counterfeit Products	139	76
4	Other	46	5

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	Arrow Secure Technology Pvt. Ltd. 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U74999MH2006PTC165191	Subsidiary	100%	2(87)
2	Arrow Green Technologies (UK) Ltd 291 Mather Avenue, Liverpool, United Kingdom, L18 9UD	Foreign Company	Subsidiary	100%	2(87)
3	Avery Pharmaceutical Pvt. Ltd. 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U74999MH2017PTC295476	Subsidiary	99.65%	2(87)
4	LQ Arrow Security Products (India) Pvt. Ltd. 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U74999MH2017PTC299486	Subsidiary	51%	2(87)
5	SP Arrow Biopolymer Products Pvt. Ltd 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U51498MH2006PTC166618	Associate	46%	2(6)
6	Sphere Biopolymer Pvt. Ltd 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 - 2023				Shareholding at the end of the year - 2024				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	9354541	0	9354541	62.00	9354541	0	9354541	62.00	0.00
(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	996014	0	996014	6.60	996014	0	996014	6.60	0.00
	Sub Total (A)(1)	10350555	0	10350555	68.60	10350555	0	10350555	68.60	0.00
[2]	Foreign									
(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)									
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	10350555	0	10350555	68.60	10350555	0	10350555	68.60	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(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)	Banks	0	0	0	0.00	0	0	0	0.00	0.00
(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
(G)	Asset Reconstruction Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Sovereign Wealth Funds	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Other Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Institutions (Foreign)									
(a)	Foreign Direct Investment	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Sovereign Wealth Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investors Category I	20073	0	20073	0.13	118084	0	118084	0.78	0.65
(e)	Foreign Portfolio Investors Category II	0	0	0	0.00	75502	0	75502	0.50	0.50
(e)	Any Other (Specify)									
	Sub Total (B)(2)	20073	0	20073	0.13	193586	0	193586	1.28	1.15



ARROW GREENTECH LIMITED

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2023				Shareholding at the end of the year - 2024				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	Non-Institutions									
(a)	Associate companies / Subsidiaries	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)	0	0	0	0.00	0	0	0	0.00	0.00
(C)	Key Managerial Personnel	39	0	39	0.00	39	0	39	0.00	0.00
(D)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	900	0	900	0.00	900	0	900	0.00	0.00
(E)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Investor Education and Protection Fund (IEPF)	193001	0	193001	1.28	200630	0	200630	1.33	0.05
(g)	Resident Individuals holding nominal share capital upto Rs. 2 lakhs	2074001	79717	2153718	14.27	2371875	69402	2441277	16.18	1.90
(h)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	1699496	0	1699496	11.26	1348776	0	1348776	8.94	-2.32
(i)	Non Resident Indians (NRIs)	165880	1200	167080	1.10	150479	1200	151679	1.00	-0.10
(j)	Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
(k)	Foreign Companies	176626	0	176626	1.17	159667	0	159667	1.06	-0.11
(l)	Bodies Corporate	105960	800	106760	0.71	74020	0	74020	0.49	-0.21
(c)	Any Other (Specify)									
	Body Corp-Ltd Liability									
	Partnership	3129	0	3129	0.02	3078	0	3078	0.02	-0.00
	Hindu Undivided Family	205772	0	205772	1.36	163553	0	163553	1.08	-0.28
	Clearing Member	10689	0	10689	0.07	178	0	178	0.00	-0.07
	Foreign Portfolio Investors Category III	100	0	100	0.00	0	0	0	0.00	-0.00
	Sub Total (B)(3)	4635593	81717	4717310	31.26	4473195	70602	4543797	30.11	-1.15
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	4655666	81717	4737383	31.40	4666781	70602	4737383	31.40	0.00
	Total (A)+(B)	15006221	81717	15087938	100.00	15017336	70602	15087938	100.00	0.00
(C)	Non Promoter-Non Public									
	(C1) Shares Underlying Drs									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(c)	15006221	81717	15087938	100.00	15017336	70602	15087938	100.00	

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year - 2023			Shareholding at the end of the year - 2024			% 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	5406346	35.83	0.00	5406346	35.83	0.00	0.00
2	JIGISHA S PATEL	1822205	12.08	0.00	1822205	12.07	0.00	0.00
3	SHILPAN P PATEL HUF	1029180	6.82	0.00	1029180	6.82	0.00	0.00
4	ARROW CONVERTORS PVT LTD	996014	6.60	0.00	996014	6.60	0.00	0.00
5	RISHIL S PATEL	547000	3.63	0.00	547000	3.62	0.00	0.00
6	NEIL S PATEL	539810	3.58	0.00	539810	3.57	0.00	0.00
7	MANISHA SINDHI	10000	0.07	0.00	10000	0.06	0.00	0.00
	Total	10350555	68.60	0.00	10350555	68.60	0.00	0.00

(iii) Change in Promoter's holding

SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2023		Transactions during the year		Cumulative Shareholding at the end of the year - 2024	
		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	5406346	35.83	-	-	5406346	35.83
	AT THE END OF THE YEAR					5406346	35.83
2	JIGISHA S PATEL	1822205	12.08	-	-	1822205	12.07
	AT THE END OF THE YEAR					1822205	12.07
3	SHILPAN P PATEL HUF	1029180	6.82	-	-	1029180	6.82
	AT THE END OF THE YEAR					1029180	6.82
4	ARROW CONVERTORS PVT LTD	996014	6.60	-	-	996014	6.60
	AT THE END OF THE YEAR					996014	6.60
5	RISHIL S PATEL	547000	3.63	-	-	547000	3.62
	AT THE END OF THE YEAR					547000	3.62
6	NEIL S PATEL	539810	3.58	-	-	539810	3.58
	AT THE END OF THE YEAR					539810	3.58
7	MANISHA SINDHI	10000	0.07	-	-	10000	0.07
	AT THE END OF THE YEAR					10000	0.07

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 15087938 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 - 2023		Transactions during the year		Cumulative Shareholding at the end of the year - 2024	
		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	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	193001	1.28			193001	1.28
	Transfer			07 Apr 2023	3305	196306	1.30
	Transfer			01 Dec 2023	4124	200430	1.33
	Transfer			08 Dec 2023	200	200630	1.33
	AT THE END OF THE YEAR					200630	1.33
2	DIPAK KANAYALAL SHAH	175000	1.16			175000	1.16
	AT THE END OF THE YEAR					175000	1.16
3	AJAY KRISHNAKANT PARIKH	500000	3.31			500000	3.31
	Transfer			07 Jul 2023	(2135)	497865	3.29
	Transfer			14 Jul 2023	(359)	497506	3.29
	Transfer			21 Jul 2023	(18614)	478892	3.17
	Transfer			28 Jul 2023	(46052)	432840	2.86
	Transfer			04 Aug 2023	(71332)	361508	2.39
	Transfer			11 Aug 2023	(24508)	337000	2.23
	Transfer			18 Aug 2023	(1409)	335591	2.23
	Transfer			25 Aug 2023	(5500)	330091	2.18
	Transfer			01 Sep 2023	(8491)	321600	2.13
	Transfer			08 Sep 2023	(7000)	314600	2.08
	Transfer			15 Sep 2023	(2240)	312360	2.07
	Transfer			22 Sep 2023	(6250)	306110	2.02
	Transfer			29 Sep 2023	(1309)	304801	2.02
	Transfer			06 Oct 2023	(9801)	295000	1.95
	Transfer			13 Oct 2023	(2000)	293000	1.94
	Transfer			20 Oct 2023	(33000)	260000	1.72
	Transfer			27 Oct 2023	(31811)	228189	1.51
	Transfer			03 Nov 2023	(6500)	221689	1.46
	Transfer			24 Nov 2023	(5000)	216689	1.43
	Transfer			19 Jan 2024	(9000)	207689	1.37
	Transfer			02 Feb 2024	(7689)	200000	1.32
	Transfer			09 Feb 2024	(30000)	170000	1.12
	Transfer			22 Mar 2024	(5000)	165000	1.09
	AT THE END OF THE YEAR					165000	1.09
4	AQUAVISTA LIMITED	176626	1.17			176626	1.17
	Transfer			03 Nov 2023	(10)	176616	1.17
	Transfer			10 Nov 2023	(11990)	164626	1.09
	Transfer			24 Nov 2023	(4959)	159667	1.05
	AT THE END OF THE YEAR					159667	1.05
5	ASUTOSH PRAMODCHANDRA MEHTA	130307	0.86			130307	0.86
	Transfer			29 Mar 2024	(40000)	90307	0.59
	Transfer			30 Mar 2024	40000	130307	0.86
	AT THE END OF THE YEAR					130307	0.86



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

SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2023		Transactions during the year		Cumulative Shareholding at the end of the year - 2024	
		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
6	VARSHA CHUGH .	126955	0.84			126955	0.84
	Transfer			17 Nov 2023	(13450)	113505	0.75
	Transfer			24 Nov 2023	(2000)	111505	0.73
	Transfer			26 Jan 2024	(2110)	109395	0.72
	Transfer			09 Feb 2024	(2000)	107395	0.71
	Transfer			23 Feb 2024	(3978)	103417	0.68
	AT THE END OF THE YEAR					103417	0.68
7	PRAMODCHANDRA GORDHANDAS MEHTA	89959	0.60			89959	0.59
	AT THE END OF THE YEAR					89959	0.59
8	HARESH CHHOTALAL MEHTA	68321	0.45			68321	0.45
	Transfer		-	07 Apr 2023	(21)	68300	0.45
	Transfer		-	23 Feb 2024	21	68321	0.45
	Transfer		-	01 Mar 2024	1154	69475	0.46
	Transfer		-	08 Mar 2024	2626	72101	0.47
	Transfer		-	15 Mar 2024	4199	76300	0.50
	Transfer		-	29 Mar 2024	(67300)	9000	0.05
	Transfer		-	30 Mar 2024	68300	77300	0.51
	AT THE END OF THE YEAR					77300	0.51
9	ARK GLOBAL EMERGING COMPANIES, LP	0	0.00			0	0.00
	Transfer			19 Jan 2024	28880	28880	0.19
	Transfer			26 Jan 2024	17120	46000	0.30
	Transfer			02 Feb 2024	6547	52547	0.34
	Transfer			16 Feb 2024	22855	75402	0.49
	AT THE END OF THE YEAR					75402	0.49
10	SEVEN CANYONS WORLD INNOVATORS FUND	0	0.00			0	0.00
	Transfer			19 Jan 2024	32144	32144	0.21
	Transfer			26 Jan 2024	19056	51200	0.33
	Transfer			02 Feb 2024	4594	55794	0.36
	Transfer			16 Feb 2024	16036	71830	0.47
	AT THE END OF THE YEAR					71830	0.47
11	MAHESHKUMAR RAJA	90000	0.59			90000	0.59
	Transfer			02 Jun 2023	(15000)	75000	0.49
	Transfer			13 Oct 2023	(5000)	70000	0.46
	AT THE END OF THE YEAR					70000	0.46
12	VIKAS ARORA	59000	0.39			59000	0.39
	Transfer			13 Oct 2023	5000	64000	0.42
	Transfer			22 Dec 2023	1000	65000	0.43
	Transfer			29 Dec 2023	(1300)	63700	0.42
	Transfer			05 Jan 2024	(5400)	58300	0.38
	Transfer			12 Jan 2024	5765	64065	0.42
	Transfer			19 Jan 2024	(5500)	58565	0.38
	Transfer			26 Jan 2024	5500	64065	0.42
	Transfer			09 Feb 2024	8000	72065	0.47
	Transfer			16 Feb 2024	(3500)	68565	0.45
	Transfer			15 Mar 2024	(5582)	62983	0.41
	Transfer			30 Mar 2024	(2700)	60283	0.39
	AT THE END OF THE YEAR					60283	0.39

Note:1. Paid up Share Capital of the Company (Face Value Rs.10.00) at the end of the year is 15087938 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	Mr. Shilpan Patel Chairman & Managing Director At the beginning of the year Changes At the end of the year			54,06,346	35.83%		
				-	0.00%	-	0.00%
				54,06,346	35.83%		0.00%
2	Mr. Neil Patel Jt. Managing Director At the beginning of the year Changes during the year At the end of the year			5,39,810	3.58%		
				-	0.00%	-	0.00%
				5,39,810	3.58%		0.00%
3	Mrs. Jigisha Patel Woman Director At the beginning of the year Changes during the year At the end of the year			18,22,205	12.08%		
				-	0.00%	-	0.00%
				18,22,205	12.08%	-	0.00%
4	Mr. Haresh Mehta, Independent Director At the beginning of the year Changes during the year Changes during the year Changes during the year Changes during the year Changes during the year Changes during the year Changes during the year At the end of the year			68,321	0.45%		
		27-02-24	Market Purchase	154	-	68,475	0.45%
		28-02-24	Market Purchase	1,000	-	69,475	0.45%
		02-03-24	Market Purchase	458	-	69,933	0.46%
		04-03-24	Market Purchase	542	-	70,475	0.47%
		06-03-24	Market Purchase	1,626	-	72,101	0.48%
		13-03-24	Market Purchase	4,199	-	76,300	0.51%
		29-03-24	Market Purchase	7,407	-	83,707	0.55%
			83,707	0.55%		0.00%	
5	Mr. Prashant Mehta Independent Director (Appointed as Independent Director w.e.f. 13th February 2024) At the beginning of the year Changes during the year At the end of the year			410	0.00%		
				-	0.00%	-	0.00%
				410	0.00%		0.00%
6	Mrs. Barkharani Mehta Independent Director (Appointed as Independent Director w.e.f. 13th February 2024) At the beginning of the year Changes during the year At the end of the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%
				-	0.00%	-	0.00%
7	Mr. Harish Mishra Independent Director (Completion of tenure as an independent director on March 31, 2024) At the beginning of the year Changes during the year At the end of the year			900	0.01%		
				-	0.00%	-	0.00%
				900	0.01%		0.00%
8	Mr. Dinesh Modi Independent Director (Completion of tenure as an independent director on March 31, 2024) At the beginning of the year Changes during the year At the end of the year			50	0.00%		
				-	0.00%	-	0.00%
				50	0.00%		0.00%

**(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
9	Mr. Hitesh Punglia Chief Financial Officer At the beginning of the year Changes during the year At the end of the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%
				-	0.00%	-	0.00%
10	Mrs. Poonam Bansal Company Secretary At the beginning of the year Changes during the year At the end of the year			39	0.00%	-	0.00%
				-	0.00%	-	0.00%
				39	0.00%	-	0.00%

V. INDEBTEDNESS

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

(Amt. in ₹ Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	225.74	-	-	225.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	225.74	-	-	225.74
Change in Indebtedness during the financial year				
* Addition	10.00	-	-	10.00
* Reduction	202.88	-	-	202.88
Net Change	(192.88)	-	-	(192.88)
Indebtedness at the end of the financial year				
i) Principal Amount	32.87	-	-	32.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	32.87	-	-	32.87


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		Amount in ₹ Lakhs
		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	101.25	101.25	202.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.21	0.21	0.42
	(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)	101.46	101.46	202.92
	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						Amount in ₹ Lakhs
		Mr. Haresh Mehta (ID)	Mr. Harish Mishra (ID) (Completion of tenure on March 31, 2024)	Mrs. Jigisha Patel	Mr. Dinesh Modi (ID) (Completion of tenure on March 31, 2024)	Mr. Prashant Mehta (ID) (Appointed on February 13, 2024)	Mrs. Barkharani Nevatia (ID) (Appointed on February 13, 2024)	
1	Independent Directors							
	Fee for attending board committee meetings	3.20	2.80	1.70	3.10	0.45	-	11.25
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	3.20	2.80	1.70	3.10	0.45	-	11.25
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	3.20	2.80	1.70	3.10	0.45	-	11.25
	Total Managerial Remuneration	-	-	-	-	-	-	214.17
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors						



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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Amount in ₹ Lakhs
		Mr. Hitesh Punglia, Chief Financial Officer	Mrs. Poonam Bansal, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79.91	15.11	95.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.21	0.21	0.42
	(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	80.12	15.32	95.45

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
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. Our CSR expenditures this year reflect our commitment to fostering sustainable development and positively impacting our communities. Fact that policy is placed on website of the Company.

The CSR Committee's Vision is to empower communities through sustainable initiatives that create lasting social and environmental impact. "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. Haresh Mehta (Chairman)
- (ii) Mr. Prashant Mehta (Appointed w.e.f. 13th February 2024)
- (iii) Mr. Shilpan Patel
- (iv) Mr. Harish Mishra (Completion of Tenure on 31st March 2024)

3. **The Average net profit of the Company for last three financial years:** Rs. 877.7 lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

Prescribed CSR expenditure for FY 2023-24 : Rs. 17.60 lakhs

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

- (a) Total amount spent for the financial year 2023-24: Rs. 39.50 lakhs
- (b) Amount unspent, if any - Rs. Nil
- (c) Manner in which the amount spent during the financial year is detailed below :

Sr. No	CSR Project or 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 Rs.)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in Rs.)	Cumulative expenditure up to the reporting period (Amt in Rs.)	Amount spent: Direct (Amt in Rs.)
1	Promote Social, Educational and Cultural development of the society	Social Economic Development	-	39,50,000	39,50,000	39,50,000	39,50,000

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 Rs. 39.50 lakhs for the Financial Year 2023-24.

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.**

For Arrow Greentech Limited

Shilpan Patel
Chairman & Managing Director
DIN: 00341068

Place: Mumbai
Date: May 25, 2024



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global economy overview:

In the Financial year 2023, amidst a backdrop of persistent geopolitical tensions, the global economic landscape witnessed a remarkable surge in confidence, painting an optimistic picture for the future. The International Monetary Fund (IMF) reported a GDP growth of 3.2%, exceeding earlier projections made in October-23. This robust growth was underpinned by resolute monetary strategies that drove down energy costs and spurred both governmental and private expenditures. The pace of expansion is steadily progressing, driven by a stabilization of borrowing costs, strategic fiscal adjustments, resilience following the COVID-19 pandemic and geopolitical events, ongoing improvements in productivity and emerging opportunities amid evolving geoeconomic landscapes. In the realm of economic projections, the current outlook suggests stable growth but with nuances. The global economy is expected to grow at a rate of 3.2% throughout 2024 and 2025, mirroring the pace of the previous year. Advanced economies are forecasted to experience a slight increase, with growth rising from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. Conversely, emerging market and developing economies are anticipated to see a modest slowdown, dropping from a growth rate of 4.3% in 2023 to 4.2% in both 2024 and 2025.

Indian economy overview:

In FY24, India continued to be one of the world's fastest-growing economies, achieving a GDP growth rate of 7.6%. This impressive performance is driven by increased public investments, a thriving service sector, effective reform-oriented governance, strong domestic demand for consumer services, and high export demand for business services. India's G20 presidency has facilitated key multilateral initiatives, and the financial sector has remained stable despite global challenges. Consumer price inflation has stayed below the 6% target range despite tightened fiscal policies. Looking ahead, businesses are expected to improve with stable interest rates and reduced debt levels. Rising credit demand highlights the potential of the Indian economy, and the interest of major international companies like Apple in expanding their supply chains in India reflects this growth. State-level policies and substantial investments in transport and infrastructure further support this trend. India is projected to maintain strong growth in the next fiscal year, with a GDP growth forecast of 7.0% and declining inflation, although food price volatility might still pose challenges. Continued growth is expected due to contributions from labor and human capital, backed by investments in digital infrastructure and public development. However, global economic uncertainties and weather-related issues could impact India's financial and trade sectors, with potential inflationary effects from rising food prices. Despite these challenges, forecasts indicate a robust increase in consumption and private investments, likely driving future growth.

Company Overview:

A. Security Products

i. High Level Security Protection

Our company specializes in advanced security solutions for paper-based identification systems designed to combat counterfeiting. Due to the confidentiality requirements stipulated in our contracts, we are unable to provide detailed information about this business segment.

ii. Level 2 Security Elements—Medium Level Security Protection

Our company is well-equipped with the technology, expertise, and infrastructure to adapt our solutions for high-value brand protection and counterfeiting control across various sectors, including pharmaceuticals, branded products, and more. This business segment is poised for substantial revenue growth in the future.

This year, we have pursued several patent applications both domestically and internationally, in addition to our existing portfolio of Indian and foreign patents related to security products. Our strategy emphasizes securing patent rights to safeguard our innovations and protect against potential litigation. Our Intellectual Property team is optimistic about the success of these applications, which will significantly enhance our company's value and reassure our esteemed clients. Patents offer protection for up to 20 years.

We are committed to strengthening our presence in the Indian security market and, once established, expanding into global markets where there are few credible competitors. We are also exploring strategic partnerships with established market players to leverage our cost advantages and integrate their technologies, fostering a collaborative ecosystem for mutual benefit.

Inspired by the Prime Minister's Atma Nirbhar India initiative, our company is energized to advance our goals and contribute to the vision of promoting high-quality, Indian-made products globally.

In line with this vision, AGTL has invested in a state-of-the-art facility for manufacturing anti-counterfeit threads and security films. This plant features advanced capabilities in metalizing, demetallizing, holography, nano printing, and functional coatings, including embedding machine-readable taggants and lamination. Our products are designed for integration into security papers, tax stamps, and high-value brand protection across sectors such as perfumes, cosmetics, and pharmaceuticals, including track-and-trace management. We anticipate that these innovations will drive significant revenue growth moving forward.



B. Water Soluble Films (Watersol®)

Arrow Greentech Ltd (AGTL) stands out as a global leader in the production of cast water-soluble films, with our flagship product, Watersol®, setting the standard in the industry. Our facility in Ankleshwar, Gujarat, is operating at optimal capacity, and we are actively pursuing new business opportunities through innovative applications across diverse sectors. This strategic focus is designed to build and reinforce our growth trajectory.

Watersol® films offer versatile applications in a wide range of industries, including agrochemicals, construction chemicals, dyes and pigments, embroidery, health and hygiene, industrial engineering, water transfer printing, and FMCG, among others.

The agrochemical and home care sectors represent approximately 60-70% of the global market for water-soluble films, and AGTL is engaged with major prospects and clients within these niches. In addition to our focus on this segment, we are also targeting the mass market for Embroidery Film, where we aim to compete directly with lower-tech, Chinese-made products using our advanced, indigenous technology.

The global market for polyvinyl alcohol (PVA) films was valued at around \$551 million in 2023 and is expected to grow at a compound annual growth rate (CAGR) of 5.4% through 2030. This growth is driven by increasing demand for eco-friendly packaging solutions in developed regions such as North America and Europe. In response, we have filed patents in the Green Packaging sector and will commence field trials in the last quarter of this year. This will further strengthen our position in the Green Sector, as evidenced by numerous inquiries from various packaging industries.

Our PVA films are characterized by their water solubility, biodegradability, and customization capabilities, making them suitable for innovative applications in packaging for water treatment chemicals, swimming pool chemicals, concrete fibers, construction chemicals, and various industrial and consumer repellents and inhibitors.

To capitalize on these opportunities, AGTL plans to expand its capacity and diversify its product offerings through significant capital expenditures (CAPEX). Recently AGTL has purchased ~3 acres land in Dahej Industrial area in Gujarat. This expansion will create new business prospects across different locations and sectors.

With a strong emphasis on research and innovation, AGTL is committed to establishing itself as a leading global supplier of PVA films and related value-added products in the near future.

C. Non-Soluble Bio-C films & products (Bioplast®)

The ongoing efforts to ban single-use plastics (SUP) have gained momentum over recent years, although their effectiveness remains to be fully realized. While the government has introduced guidelines and explored alternatives such as bio-compostable products, there remains a need to raise awareness about their proper implementation. The AGTL-Bioplast team is actively involved in promoting this cause within the industry and through associations, contributing valuable insights and support for the transition to sustainable practices.

AGTL is committed to further capital expenditure (Capex) in this emerging sector. Bio-compostable films present a viable, eco-friendly alternative to single-use plastics, addressing the growing concerns about plastic pollution. Unlike petrochemical-based plastics, which do not decompose naturally, bio-compostable films are designed to break down through natural processes. Our initiative in this area has the potential to revolutionize packaging solutions by offering sustainable alternatives to conventional polyester and polypropylene materials.

Our Greentech products team is innovating by integrating soluble and non-soluble technologies to develop advanced packaging solutions. We adhere to a policy of invention, patenting, and production based on end-user specifications while focusing on environmental sustainability.

AGTL utilizes technology from Biotec, Germany, to manufacture Bioplast films that meet European standards EN 13432 and ISO 17088. Our Bioplast films are 100% bio-compostable, produced from renewable plant resources such as potato starch and polylactic acid. These films are versatile, with applications ranging from garbage bags and garment bags to industrial and commercial packaging, disposable dishes, straws, and food containers.

D. Pharma Delivery Systems

AGTL has made a strategic investment in its wholly owned subsidiary, Avery Pharmaceuticals Private Limited ("Avery Pharma"), to advance the production of Mouth Dissolving Strips (MDS). Avery Pharma is a specialized pharmaceutical entity with esteemed certifications including WHO-GMP, GLP, FSSAI, HALAL (GCC Countries), ISO 9001:2015, and ISO 22000. The facility is equipped with state-of-the-art German-designed machinery dedicated to the patented technology for manufacturing Mouth Dissolving Strips.

MDS are innovative, fast-dissolving films that deliver active pharmaceutical ingredients (APIs) more rapidly compared to traditional forms such as tablets, capsules, and liquids. These films dissolve upon contact with saliva, eliminating the need for additional fluids, and offer rapid drug absorption and bioavailability. MDS are particularly advantageous for populations such as geriatrics, pediatrics, those with swallowing difficulties, and veterinary use. They provide benefits including ease of self-administration, water-free usability, quick onset of action, non-invasive dosing, and overall patient convenience.



Avery Pharma has embarked on a long-term collaboration with a leading multinational corporation to produce a unique, patentable combination product for the Brazilian market, with plans to introduce additional products in other regions. The company is currently pursuing product registrations in various countries and is engaged in Contract Development and Manufacturing Organization (CDMO) projects. Avery Pharma has successfully completed two CDMO projects, generating significant revenue and leveraging its expertise in edible water-soluble films and MDS formulations. These CDMO projects contribute to our bottom line and foster client relationships, positioning us well for future commercial production opportunities.

Currently, Avery Pharma has over 50 products approved under FSSAI and more than 10 products under prescription (Rx) approval. The company has applied for test licenses for over 20 Rx products, with development nearing completion. Additionally, Avery Pharma has filed patents for two innovative products and is in the process of filing for several more. The research lab has also achieved a significant milestone by developing a combination API in MDS technology, capable of delivering doses above 100 mg, exceeding previous limitations. Ongoing research includes advancements in sublingual and buccal MDS technologies and the development of transdermal patches.

E. IP Protection

At Arrow, we place a high priority on securing our markets through strategic patent filings both domestically and internationally, including through the PCT route. To support these efforts, we have established dedicated Intellectual Property Cells within Arrow India and our various subsidiaries. In today's innovation-driven landscape, protecting our intellectual property (IP) is crucial to our success, as is respecting the rights of other IP holders.

Our long-term growth is anchored in the creation of innovative, commercially viable products and their successful market introduction. This involves safeguarding our proprietary processes, know-how, tools, techniques, and other intellectual assets. We collaborate with inventors, scientific communities, and academic institutions both in India and globally to develop valuable IP that benefits our company and stakeholders.

Over the years, we have successfully filed and secured trademarks and patents at both national and international levels, which allows us to enforce our IP rights. Patents provide crucial protection against infringement and can offer significant rewards when commercialized or litigated. As reported, Arrow is currently seeking injunctions and engaged in litigation with Nu-Therapeutics and Shilpa Pharmaceuticals. Our legal team remains confident in our position, although legal processes can be lengthy.

To bolster our research and development capabilities, we have established a center dedicated to producing proof of concepts (POCs) and pilot projects. Once these projects are validated, they can either be licensed out or developed further by our company.

We actively participate in the "Select Committee on IP" organized by CII and DPIIT (GOI), aligning with the Atmanirbhar Bharat Policy supported by our Hon. Prime Minister and Hon. Finance Minister. We aim to expedite legal decisions in the IP field and strive to position India among the top 25 countries in the Global Innovation Index (GII), as envisioned by our leadership.

Our commitment to innovation and excellence, along with our contributions to advancing India's position in the GII, have been recognized by CII and DPIIT. Arrow has been honored with the National IP Award annually since 2019, with the exception of 2020 due to the COVID-19 pandemic. We received the award in 2019, 2021, 2022, and 2023.

Our intellectual property is a critical asset, and we remain dedicated to its creation, protection, and management.

F. Trading and Revenue Streams from foreign Subsidiaries:

Arrow UK, a wholly owned subsidiary of AGTL India, is actively pursuing multiple income-generating opportunities. The Board and team at Arrow UK are focused on the commercialization of patents and technology. Leveraging the logistical advantages and favorable business environment of the Western world, we are committed to maximizing the potential of this subsidiary.

In addition to monetizing our patents and trading in water-soluble films, Arrow UK is expanding its trade into high-tech products. The subsidiary, along with its wholly owned counterpart in the Netherlands, is generating substantial revenues. We are optimistic about the future prospects for both entities and anticipate continued growth and success.

2. Opportunities:

In response to Environmental, Social, and Governance (ESG) concerns, Extended Producer Responsibility (EPR) strategies, and the UNDP's Sustainable Development Goals, companies are increasingly focusing on creating strong environmental value propositions. As discussions continue among scientists and policymakers about global warming and the depletion of natural resources, green industry practices are gaining traction. These practices not only reduce carbon footprints but also offer significant cost savings, driven by supportive government policies and rising profitability. Trends such as single-layer packaging, reduced use of single-use plastics, and the shift towards refillable and reusable products highlight growing opportunities in the green industry.

Consumer demand for sustainable practices is rising, driven by both environmental necessity and governmental regulations. Businesses that adopt sustainable methods—using renewable and reusable materials—can reduce costs and appeal to early adopters, potentially becoming mainstream. The increasing need for non-soluble bio-compostable plastics, particularly in mitigating environmental issues like flooding, underscores the growing importance of bio-compostable and biodegradable films in enhancing quality of life.



Arrow's Security division has invested significantly in advanced manufacturing technologies and plans to extend its market reach globally, beginning with exports to the EU and EEA regions. Additionally, Arrow's wholly owned subsidiaries, Avery Pharmaceuticals Pvt. Ltd. and Watersol divisions, are targeting expansion into South America and Africa. Our in-house R&D labs are dedicated to developing innovative products tailored to new markets.

The post-COVID-19 strategy of diversifying supply chains beyond China presents a significant growth opportunity. We are poised to leverage this shift to expand our market presence both in India and internationally.

3. Threats:

Our business operations may experience fluctuations due to several factors, including geopolitical developments, technological obsolescence, rising input costs, project execution delays, patent expirations, and tender outcomes. Additionally, threats such as the importation of non-standard materials, such as extruded films from China, may pressure us to maintain competitive pricing. We have identified key risks across our business functions and will implement various measures as needed to address and mitigate these risks effectively and consistently.

4. Internal control system and their adequacy:

The company's internal audit system is designed to ensure robust internal controls that align with the size, complexity, and requirements of our business. This system aims to safeguard assets against misuse or loss and ensure that transactions are properly authorized, recorded, and reported.

Operating parameters are clearly defined and monitored on a regular basis. The Audit Committee continually assesses the adequacy and effectiveness of our internal controls. These controls are implemented to enhance operational efficiency, financial management, and compliance with relevant regulations and laws.

In accordance with Section 138 of the Companies Act, 2013, the company has engaged a firm of Chartered Accountants to perform internal audits of our functions and activities. They provide quarterly reports on their findings, which are reviewed by both the Audit Committee and the Statutory Auditors.

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

Throughout the year, industrial relations have remained amicable and uninterrupted, with no disruptions to manufacturing activities. The company has conducted various programs focused on enhancing motivation, as well as technical and soft skills. We have implemented comprehensive safety measures to protect our employees and have adopted a work-from-home policy for non-factory staff, providing the necessary technological support and tools to ensure smooth operations.

Human capital is regarded as a vital asset and a key factor for the company's success, particularly given the niche nature of our products, patents, and applications. We are committed to building a dedicated team to support the company's growth. As of March 31, 2024, our workforce consisted of 108 employees.

6. Cautionary statement:

This report may contain forward-looking statements. AGTL may also include forward-looking statements in periodic reports to the Stock Exchanges, as well as in its annual reports to shareholders, proxy statements, offering circulars, prospectuses, press releases, and other written communications. Additionally, forward-looking statements may be made orally by our officers, directors, or employees to third parties.

AGTL does not undertake any obligation to update or revise these forward-looking statements, whether in this report or elsewhere. Forward-looking statements, which reflect our beliefs and expectations, are inherently subject to risks and uncertainties. Various factors could cause actual outcomes to differ materially from those projected in forward-looking statements.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 25th May 2024

Shilpan P Patel
Chairman & Managing Director
DIN:00341068



REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024, 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 the Companies Act, 2013 ("the Act") 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, 2024, the Board comprised six Directors. Of these, two are Executive Directors; one is Non-Executive Non-Independent Woman Director, including the Chairman and Managing Director who is a Promoter Director. Remaining three are Independent Directors.

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 and Managing Director, Mr. Neil Patel, Joint Managing Director and Mrs. Jigisha Patel Non-Executive Non-Independent Woman Director are 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 2023-24. The Meetings were held on May 27, 2023, August 12, 2023, November 09, 2023, February 13, 2024 and March 15, 2024. 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, 2024 is tabulated hereunder.



Name	Category	No. of Board Meeting attended / held during 2023-24	Attendance at last AGM held on September 23, 2023	No. of directorship held in other public company	Committee Position in other companies	
					Member	Chairman
Mr. Shilpan Patel	Executive	3/5	Present	-	-	-
Mr. Haresh Mehta	Independent	5/5	Present	-	-	-
Mr. Prashant Mehta (appointed as independent director on 13th February 2024)	Independent	1/5	NA	-	-	-
Mr. Neil Patel	Executive	5/5	Present	-	-	-
Mrs. Barkharani Nevatia (appointed as independent director on 13th February 2024)	Independent	0/5	NA	2	2	-
Mrs. Jigisha Patel	Non-Executive Non-Independent	5/5	Present	-	-	-
Mr. Dinesh Modi (Completion of Tenure on 31st March 2024)	Independent	5/5	Present	2	-	1
Mr. Harish Mishra (Completion of Tenure on 31st March 2024)	Independent	5/5	Present	-	-	-

Notes:-

- The directorship held by directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies and Private Companies.
- 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 Joint 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 to Executive Directors i.e. Mr. Shilpan Patel, Chairman and Managing Director and Mr. Neil Patel, Joint 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 Rs. 30,000/- for attending each Board Meeting, Rs. 15,000/- for attending Audit Committee Meeting and Rs.10,000/- for attending other Committee Meetings.



The details of remuneration paid to Directors during the year ended March 31, 2024 and their shareholding are tabulated hereunder.

(₹ in Lakhs)				
Name of the Directors	Salary, Perquisites & Allowances	Sitting Fees	Total	No. of Shares held
Mr. Shilpan Patel	101.46	-	101.46	54,06,346
Mr. Haresh Mehta	-	3.20	3.20	83,707
Mrs. Jigisha Patel	-	1.70	1.70	18,22,205
Mr. Neil Patel	101.46	-	101.46	5,39,810
Mr. Prashant Mehta <i>(appointed as independent director on 13th February 2024)</i>	-	0.45	0.45	410
Mrs. Barkharani Nevatia <i>(appointed as independent director on 13th February 2024)</i>	-	-	-	-
Mr. Dinesh Modi <i>(Completion of Tenure on 31st March 2024)</i>	-	3.10	3.10	50
Mr. Harish Mishra <i>(Completion of Tenure on 31st March 2024)</i>	-	2.80	2.80	900

(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. 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, 2024. 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 Act 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 2023-24, the Independent Directors of the Company also met on February 13, 2024, 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 Act 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 four Committees for the year ended March 31, 2024 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR 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, 2024, the Audit Committee comprises three (3) 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 five times during the year, i.e. on May 27, 2023, August 12, 2023, November 09, 2023, February 13, 2024 and March 15, 2024. 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. Haresh Mehta	Independent Director	Chairman	5	5
Mr. Prashant Mehta (appointed as independent director on 13th February 2024)	Independent Director	Member	5	1
Mrs. Barkharani Nevatia (appointed as independent director on 13th February 2024)	Independent Director	Member	5	-
Mr. Neil Patel	Executive Director	Member	5	5
Mr. Harish Mishra (Completion of Tenure on 31st March 2024)	Independent Director	Member	5	5
Mr. Dinesh Modi (Completion of Tenure on 31st March 2024)	Independent Director	Member	5	5

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, 2024, this Committee comprised three Independent Directors. They are Mr. Prashant Mehta (Chairman), Mrs. Barkharani Nevatia and Mr. Haresh Mehta.

This Committee met two times during the previous financial year i.e. on August 12, 2023 and February 13, 2024. 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 Members	Position	Category	No. of Meeting held	No. of Meeting attended
Mr. Prashant Mehta (appointed as independent director on 13th February 2024)	Chairman	Independent	NA	NA
Mrs. Barkharani Nevatia (appointed as independent director on 13th February 2024)	Member	Independent	NA	NA
Mr. Haresh Mehta	Member	Independent	2	2
Mr. Dinesh Modi (Completion of Tenure on 31st March 2024)	Member	Independent	2	2
Mr. Harish Mishra (Completion of Tenure on 31st March 2024)	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:

- 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;
- Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
- Devising a policy on Board diversity.
- 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.
- 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, 2024, 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, 2024, is given below:

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

Name of the Members	Position	Category	No. of Meeting held	No. of Meeting attended
Mr. Haresh Mehta	Chairman	Independent	4	4
Mr. Prashant Mehta (appointed as independent director on 13th February 2024)	Member	Independent	NA	NA
Mr. Neil Patel	Member	Executive	4	4
Mr. Dinesh Modi (Completion of Tenure on 31st March 2024)	Member	Independent	4	4

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) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee has been formed pursuant to section 135 of the Act 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. Annual Report on CSR activities is prepared and is attached as ANNEXURE IV to the Directors Report.

One CSR Committee meeting was held on 13th February 2024 during the FY 2023-24.

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

Name of the Members	Position	Category
Mr. Haresh Mehta	Chairman	Independent
Mr. Prashant Mehta (<i>appointed as independent director on 13th February 2024</i>)	Member	Independent
Mr. Shilpan Patel	Member	Executive
Mr. Harish Mishra (<i>Completion of Tenure on 31st March 2024</i>)	Member	Independent

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.

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, 2024 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 31st March, 2024 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') or Extra Ordinary General Meeting (EGM) held:

Financial Year	Date	Time	Venue
2022-2023	September 23, 2023	3:00 p.m.	Video Conferencing (VC) or Other Audio Visual Means (OAVM)
2021-2022	November 11, 2022	4:00 p.m.	
2021-2022	September 30, 2022	4.30 p.m.	
2020-2021	September 29, 2021	4:00 p.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
September 23, 2023	Approve transaction under Section 180(1)(a) of the Companies Act 2013
November 11, 2022	To Issue of Equity Shares On Preferential Basis
September 29, 2021	To approve Re-appointment of Mr. Dinkarray D Trivedi as an Independent Director of the Company To approve Related Party Transaction

(iii) Special Resolutions passed through Postal Ballot

Special Resolution	Votes in the favour of the Resolution		Votes against the Resolution		Date of declaration of results
	Nos.	% of total number of valid votes cast (Favour and Against)	No of shares	% of total number of valid votes cast (Favour and Against)	
Item No. 1 of the Notice (As an Special Resolution for Appointment of Mr. Prashant Sushilchandra Mehta (DIN: 02225808) as an Independent Director	10560759	100	308	0	
Item No. 2 of the Notice (As an Special Resolution for Appointment of Mrs. Barkharani Harsh Nevatia (DIN: 08531880) as an Independent Director	10560776	100	308	0	

(iv) Person who conducted the Postal Ballot Exercise:

M/s. Rajendra & Co. Company Secretaries (FCS - 4247 & C.P No. 1975) was appointed as Scrutinizer for the purpose of Postal Ballot exercise.

(v) Procedure for postal ballot:

The postal ballot notice dated 13th February 2024, pursuant to Section 110 of The Companies Act, 2013 (Act) read with Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) ("the Rules") for passing the resolution by postal ballot was emailed to the members of the company on 28.02.2024.

The Board of Directors of the Company at its meeting held on 13th February 2024 appointed Mr. Rajendra Vaze, Practicing Company Secretary as scrutinizer for e-voting and postal ballot process.

The shareholders who desired to exercise their votes were requested to carefully read the instructions indicated in this Notice and record their assent (FOR) or dissent (AGAINST) by following the procedure as stated in the Notes forming part of the Notice.



In terms of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company had provided the e-voting facility to its Members to exercise their votes electronically and engaged NSDL as the service provider for the same. The e-voting facility was kept open from 9.00 a.m. on Thursday, February 29, 2024 to 5.00 PM. on Friday, March 29, 2024.

The Scrutinizer, after the completion of scrutiny, submitted his report to the Chairperson of the Company to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India. The consolidated results of the voting by Postal Ballot and e-voting were announced on March 30, 2024.

VII. GENERAL INFORMATION FOR SHAREHOLDERS

a) Annual General Meeting

Time : 3:00 P.M.

Date : 16th September, 2024

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, 2024 are as follows:

1st Quarter Results	:	by August 14, 2024
2nd Quarter Results	:	by November 14, 2024
3rd Quarter Results	:	by February 14, 2025
4th Quarter & Annual Results	:	Before May 30, 2025

d) **Date of Book Closure** : 13th September, 2024 to 16th September, 2023(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 2023-24 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 2023-2024 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, 2023	288.20	245.65	287.00	246.40	61,209.46	58,793.08	18089.15	17312.75
May, 2023	370.15	252.25	370.50	253.00	63,036.12	61,002.17	18662.45	18042.40
June, 2023	394.00	312.00	394.50	312.15	64,768.58	62,359.14	19201.70	18464.55
July, 2023	345.00	303.50	345.00	305.50	67,619.17	64,836.16	19991.85	19234.40
August, 2023	367.25	297.50	366.10	298.20	66,658.12	64,723.63	19795.60	19223.65
September, 2023	401.50	330.00	404.00	325.00	67,927.23	64,818.37	20222.45	19255.70
October, 2023	516.40	355.00	516.90	355.35	66,592.16	63,092.98	19849.75	18837.85
November, 2023	491.95	384.05	488.00	385.05	67,069.89	63,550.46	20158.70	18973.70
December, 2023	469.95	401.50	471.45	401.05	72,484.34	67,149.07	21801.45	20183.70
January, 2024	454.70	401.05	455.20	402.45	73,427.59	70,001.60	22124.15	21137.20
February, 2024	497.00	389.40	499.00	390.00	73,413.93	70,809.84	22297.50	21530.20
March, 2024	415.00	301.05	416.00	335.05	74,245.17	71,674.42	22526.60	21710.20

*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, 2024:

Sr. No	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	1,03,50,555	68.60
2.	Mutual Funds/UTI	-	-
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	-	-
4.	Venture Capital Funds	-	-
5.	Foreign Portfolio Investors	1,93,586	1.28
6.	Bodies Corporate	74,020	0.49
7.	Individuals		
	< Rs. 2 Lac	23,69,789	15.71
	> Rs. 2 Lac	14,20,264	9.41
8.	Clearing Member	178	-
9.	NRI	1,51,679	1.01
10.	Trust	-	-
11.	Overseas Corporate Bodies	1,59,667	1.06
12.	Investor Education & Protection Fund (IEPF)	2,00,630	1.33
13.	HUF	1,63,553	1.08
14.	LLP	3,078	0.02
15.	Key Managerial Personnel	39	0.00
16.	Relatives of promoters	900	0.01
	TOTAL	1,50,87,938	100.00


IX. The Distribution of Shareholding as at March 31, 2024:

Slab of Shares Holding	No. of Shareholders	%	Amount in (₹)	%
1 - 500	12773	93.47	95,79,860	6.35
501 - 1000	452	3.31	35,36,160	2.34
1001 - 2000	179	1.31	27,67,860	1.85
2001 - 3000	76	0.56	18,63,160	1.23
3001 - 4000	40	0.29	14,08,740	0.93
4001 - 5000	25	0.18	11,63,840	0.77
5001 - 10,000	57	0.42	42,95,790	2.85
10,001 - Above	64	0.46	12,62,63,970	83.69
Total	13666	100.00	15,08,79,380	100.00

X. Dematerialization of shares and liquidity:

As on March 31, 2024 about 99.53% 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, 2024, is given below:

Category	No. of Shares	Percentage
NSDL	1,18,99,523	78.87
CDSL	31,17,813	20.66
PHYSICAL	70,602	0.47
TOTAL	1,50,87,938	100.00

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 – 4974 3759
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 2016-17 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, 2024 (₹ in Lakhs)
31.03.2017	Final	5.60	Sep 13, 2017	Oct 19, 2024	13.38
31.03.2018	Final	2.00	Sep 15, 2018	Oct 21, 2025	5.15
31.03.2019	Final	0.50	Sep 07, 2019	Oct 13, 2026	1.38
31.03.2023	Final	1.00	Sep 23, 2023	Oct 29, 2030	0.73

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 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

Date: August 03, 2024
Place: Mumbai

Shilpan P Patel
Chairman & Managing Director
DIN : 00341068

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

To
The Member of
Arrow Greentech Ltd.

I, Shilpan Patel, Chairman & Managing Director of the Company confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct during the year ended on 31st March, 2024.

For and on behalf of the Board of Directors

Date: August 03, 2024
Place: Mumbai

Shilpan P Patel
Chairman & Managing Director
DIN : 00341068



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members
ARROW GREENTECH LIMITED

We have examined the relevant registers, records forms, returns and disclosers 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.) on 23rd July 2024 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, 2024 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.

Sr No	Name of the Directors	DIN	Date of appointment in Company.
1	SHILPAN PRAVIN PATEL	00341068	30/10/1992
2	HARESH CHHOTALAL MEHTA	00376589	29/09/2015
3	NEIL SHILPAN PATEL	00607101	01/06/2012
4	JIGISHA SHILPAN PATEL	01899528	14/07/2020
5	PRASHANT SUSHILCHANDRAMEHTA	02225808	13/02/2024
6	BARKHARANI HARSH NEVATIA	08531880	13/02/2024

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 : 23rd July 2024
UDIN No : F004247F000801296

Peer Review No 2807/2022
Unique Identification No S1993MH011200

**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 January 01, 2024.
2. We have examined the compliance of conditions of Corporate Governance by Arrow Greentech Limited, for the year ended on March 31, 2024, 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, 2024.
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

Mr. Dhaval Pandya
Partner
Membership No. 160500
UDIN: 24160500BKHJHQ5740
Place: Mumbai
Date: August 03, 2024

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

We have audited the accompanying standalone financial statements of Arrow Greentech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2024, its profit (including other comprehensive income), its 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 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 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 financial statements.

Key Audit 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 Management Discussion and Analysis and Director's Report forming part of annual report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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 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 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 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 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 financial statements, including the disclosures, and whether the standalone 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 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, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report 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, except for use of accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled as described in para (vi) below;
- 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 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, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph (2)(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
- g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- h. 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, as amended:

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;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 on Contingent Liabilities to the standalone 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;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - (iv) (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iv) (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) As stated in Note 54 to the standalone financial statements:
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in compliance with section 123 of the Act, as applicable.



- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in compliance with section 123 of the Act, as applicable.
- (vi) Based on our examination which included test checks, with effect from April 24, 2023, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year i.e from April 24, 2023 to March 31, 2024 for all relevant transactions recorded in the software. However for the period pertaining to April 01, 2023 to April 23, 2023, we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

Dhaval Pandya
Partner
Membership No. 160500
UDIN: 24160500BKHJHF2882
Place: Mumbai
Date: May 25, 2024


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 ("the Company") on the standalone financial statements for the year ended March 31, 2024]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
 - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
 - (b) During the year, the Property, Plant and Equipment 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 all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the details given below:

Description of property	Gross carrying value (₹ in lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Buildings	2	Rishil Exports	Yes, Relative of promoter	April 01, 1994	It is held in earlier name of the company and the Management is in process of transferring it to its new name.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.
 - (e) No proceedings have been initiated or are pending against the Company as at March 31, 2024 for holding any benami property under the Prohibition of Benami Property Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
- (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on physical verification carried out during the year.
 - (b) The Company has been sanctioned working capital limits exceeding five crore rupees during the year, in aggregate, from banks, secured by current assets. However, in the absence of any drawdown on these working capital limits, the Company is not required to furnish quarterly stock statements to the bank. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii)
- (a) During the year, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to the following entities: (Rs. In Lakhs)

Sr No	Particulars	Guarantees	Security	Loans	Advances in the nature of loans
1	Aggregate amount granted / provided during the year				
	- Subsidiaries	Nil	Nil	330	Nil
	- Associates	Nil	Nil	Nil	Nil
	- Jointly Ventures	Nil	Nil	Nil	Nil
	- Others	1,398	Nil	12	Nil
2	Balance outstanding as at March 31, 2024 in respect of above cases				
	- Subsidiaries	Nil	Nil	47	Nil
	- Associates	Nil	Nil	Nil	Nil
	- Jointly Ventures	Nil	Nil	Nil	Nil
	- Others	1,874	Nil	8	Nil



- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided by the Company during the year are not prejudicial to the interest of the Company.
- (c) The schedule of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans have not been stipulated. Thus, we are unable to comment whether the repayments or receipts during the year are regular and report amounts overdue for more than ninety days, if any, as required under clause (iii)(d) of paragraph 3 of the Order.
- (d) In respect of the aforesaid loans and advances in the nature of loans, no demand has been raised by the Company till date and hence reporting under clause (iii) (d) of paragraph 3 of the Order are not applicable.
- (e) There were no loans or advances in the nature of loan granted which has/have fallen due during the year, have been renewed or extended. Further, there were no instances of fresh loans being granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Details of the same are as below: (Rs. In Lakhs)

Particulars	All Parties	Promoters	Related Parties	Remarks if any
Aggregate amount of loans/advances in nature of loan				
- Repayable on demand (A)	47	Nil	47	
-Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil	
Total (A+B)	47	Nil	47	
Percentage of loans/advances in nature of loan to the total loans	86%	N.A	86%	

- (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 or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing with the appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, though there has been a slight delay in a 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.

AND

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.

- (b) The dues outstanding with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	445	2017-18	Commissioner of Income Tax	
Income Tax Act, 1961	Income Tax	48	2018-19	Commissioner of Income Tax	

- (viii) We have not come across any transactions which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.



- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix)© of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates as defined under the Act.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies, as defined under the Act.

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

Further, the Company has utilized funds raised in the earlier year by way of preferential allotment for the purposes for which they were raised, except for the following:

(Rs.in Lakhs)

Nature of Securities viz. Equity share	Purpose for which funds raised	Opening unutilized Balance	Amount utilized for the other purpose	Unutilized balance as at March 31, 2024	Remarks
Preferential Equity Shares	Working capital requirement, Expansion of Business, General Corporate purpose and other purpose	600	Nil	136	Unutilised balance is parked in Fixed Deposit

- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the Internal Audit Reports of the Company issued till date, for the period under audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)© and (d) of paragraph 3 of the Order are not applicable.



- (c) As informed by the Company, the Group to which the Company belongs has no CIC as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with second proviso to section 135(5) of the said Act. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

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

Dhaval Pandya
Partner
Membership No.160500
UDIN: 24160500BKHJHF2882
Place: Mumbai
Date: May 25, 2024



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) 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 financial statements for the year ended **March 31, 2024**]

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, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors 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, to the best of our information and according to the explanations given to us, 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, 2024, 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

Dhaval Pandya
Partner
Membership No.160500
UDIN: 24160500BKHJHF2882
Place: Mumbai
Date: May 25, 2024

**BALANCE SHEET AS AT MARCH 31, 2024**

(All amounts in Indian rupees in lakhs unless otherwise stated)

Particulars	Notes	As at	
		March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment and Intangible assets			
Property, plant and equipment	3	1,482	1,167
Right of Use assets	3A	8	23
Capital work-in-progress	3B	211	18
Intangible assets	3	44	32
Intangible assets under development	3	61	50
Investment Property	4	11	12
Investment in subsidiaries and associates	5	3,693	79
Financial assets			
(i) Investments	5A	9	8
(ii) Loans	6	46	2,976
(iii) Other Financial Asset	7	1,328	49
Deferred tax assets (Net)	34 (c)	195	146
Other non - current assets	9	11	99
Total Non-current assets		7,099	4,659
Current assets			
Inventories	10	2,163	1,435
Financial assets			
(i) Trade Receivables	11	2,435	2,071
(ii) Cash and cash equivalents	12	93	162
(iii) Bank balances other than (ii) above	13	1,373	2,148
(iv) Loans	14	8	1
(v) Other financial assets	15	31	22
Other current assets	16	385	109
Total current assets		6,488	5,948
TOTAL ASSETS		13,587	10,607
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,509	1,509
Other Equity	18	11,079	7,306
Total Equity		12,588	8,815
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	19	13	91
(ii) Lease Liabilities	3A	-	13
Provisions	20	39	33
Income tax liabilities (Net)	8	91	225
Total Non current Liabilities		143	362
Current liabilities			
Financial liabilities			
(i) Borrowings	19A	20	134
(ii) Trade payables	21		
- Total outstanding dues to Micro and Small Enterprises		11	3
- Total outstanding dues to others		260	818
(iii) Other financial liabilities	22	464	388
(iv) Lease Liabilities	3A	9	14
Provisions	23	38	30
Other current liabilities	24	54	43
Total current Liabilities		856	1,430
Total Liabilities		999	1,792
TOTAL EQUITY AND LIABILITIES		13,587	10,607
Material Accounting Policies	2		

The accompanying notes are an integral part of these financial statements (1-55)

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

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Dhaval Pandya

Partner

Membership No. 160500

Place : Mumbai

Date : May 25, 2024

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

CIN : L21010MH1992PLC069281

Shilpan Patel

Managing Director

DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Joint Managing Director

DIN No - 00607101

Poonam Bansal

Company Secretary



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Particulars	Notes	Year ended	
		March 31, 2024	March 31, 2023
INCOME			
Revenue from Operations	25	13,197	10,551
Other Income	26	588	411
Total Income		13,785	10,962
EXPENSES			
Cost of Material Consumed	27	5,418	5,099
Purchase of stock-in-trade		64	470
Change in inventory of finished goods, work-in-progress & stock in trade	28	(399)	(484)
Employees Benefits Expenses	29	1,092	848
Finance Costs	30	34	104
Depreciation and Amortisation expenses	3-4	474	428
Other Expenses	31	1,867	1,837
Total Expenses		8,550	8,302
Profit/(Loss) before tax		5,235	2,660
Income tax expense			
Current Tax	34	1,383	655
Deferred Tax		(46)	170
Earlier Year Tax Adjustment		(32)	(53)
Total tax expense		1,305	772
Profit after tax		3,930	1,888
Other comprehensive income not to be reclassified to profit or loss :			
Re-measurement gains/ (losses) on defined benefit plans	40	11	11
Income tax relating to the above items	34	(3)	(3)
		(8)	(8)
Total comprehensive income for the year, net of tax		3,922	1,880
Earnings per equity share (₹)			
Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2023 : ₹ 10)]	35	26.05	13.09

The accompanying notes are an integral part of these financial statements (1-55)

As Per our report of even date

For Haribhakti & Co LLP

Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Dhaval Pandya

Partner
Membership No. 160500

Place : Mumbai

Date : May 25, 2024

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

CIN : L21010MH1992PLC069281

Shilpan Patel

Managing Director
DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Joint Managing Director
DIN No - 00607101

Poonam Bansal

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Operating activities		
Profit before tax after exceptional items	5,235	2,660
<u>Adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation	474	428
Write back of excess provision	(2)	(60)
Provision/ (writeback) of doubtful advances	(78)	86
Unrealised Foreign Exchange gain	(6)	(7)
Finance Cost	34	104
Interest income	(464)	(286)
Patent Development Expenses written off	-	64
	5,193	2,989
Working capital adjustments:		
Decrease/ (Increase) in non-current assets	88	3
Decrease / (Increase) in trade receivables	(361)	(1,741)
Decrease/ (Increase) in current assets	(268)	227
Decrease/ (Increase) in Inventories	(728)	(839)
Loans given	(8)	(1)
Decrease/ (Increase) in Financial Assets	(54)	(11)
Increase/ (Decrease) in provisions	3	(4)
Increase/ (Decrease) in trade payables	(518)	536
Increase/ (Decrease) in other financial Liabilities	87	99
Increase/ (Decrease) in other Liabilities	11	6
	3,446	1,265
Income tax paid	(1,483)	(300)
Net Cash Flow from/ (utilised in) operating activities	(A)	965
Investing activities		
Purchase of Property, plant and equipment including CWIP	(1,024)	(288)
Investments in subsidiary company	(3,614)	-
Loan to subsidiary company	(330)	(440)
Conversion of Loans to Investments including Interest (net of Tds)	3,614	-
Maturity of mutual fund investment, net	-	75
(Investments in)/maturity of Bank deposits	(456)	(1,145)
Interest Received	166	31
Net cash flows from investing activities	(B)	(1,767)
Financing activities:		
Proceeds from Long term Borrowing	-	730
Repayment of Long term Borrowing	(192)	(848)
Finance cost Paid	(35)	(104)
Dividend Paid	(161)	(6)
Proceeds from issues of shares	-	1,079
Net cash (used in) / generated from financing activities	(C)	852
Net Increase / (Decrease) In Cash And Cash Equivalents	(A+B+C)	49
Effect of exchange difference on Cash and Cash Equivalents	-	-
Cash and Cash equivalents at the beginning of the year	162	113
Cash and Cash equivalents at the end of the year (Refer Note - 12)	93	162
Components of closing cash and cash equivalents		
Cash on hand	1	1
Balances with Banks		
In Current Accounts	90	154
Deposits with original maturity of less than 3 months	2	7
Cash and Cash equivalents at the end of the year	93	162



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Particulars	Balance as at 01-Apr-23	Cash flows	Balance as at 31-Mar-24
Non current borrowings (Refer Note 19)	91	(78)	13
Current maturities of long term borrowings (Refer Note 19A)	134	(114)	20
Total	225	(192)	33

Particulars	Balance as at 01-Apr-22	Cash flows	Balance as at 31-Mar-23
Non current borrowings (Refer Note 19)	225	(134)	91
Current maturities of long term borrowings (Refer Note 19A)	118	16	134
Total	343	(118)	225

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"

Previous year's figures have been regrouped / rearranged wherever necessary, to conform to figures of the current year.

The accompanying notes are an integral part of these financial statements (1-55)

As Per our report of even date

For Haribhakti & Co LLP

Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Dhaval Pandya

Partner
Membership No. 160500

Place : Mumbai

Date : May 25, 2024

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

CIN : L21010MH1992PLC069281

Shilpan Patel

Managing Director
DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Joint Managing Director
DIN No - 00607101

Poonam Bansal

Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

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

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning	1,50,87,938	1,509	1,40,87,938	1,409
Add: Equity Shares (Preferential issue) issued during the year	-	-	10,00,000	100
Balance at the end	1,50,87,938	1,509	1,50,87,938	1,509

b. Other Equity

	Attributable to owners				
	Reserves and Surplus				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total
Balance at March 31, 2022	902	82	2	3,460	4,446
Profit for the year	-	-	-	1,888	1,888
Premium on Issue -Equity Shares (Refer Note 17(d))	980	-	-	-	980
Other comprehensive income (net of tax)	-	-	-	(8)	(8)
Total comprehensive income for the year	980	-	-	1,880	2,860
Transactions with owners of company					
Cash dividends	-	-	-	-	-
Balance at March 31, 2023	1,882	82	2	5,340	7,306
Profit for the year	-	-	-	3,930	3,930
Other comprehensive income (net of tax)	-	-	-	(8)	(8)
Total comprehensive income for the year	-	-	-	3,922	3,922
Transactions with owners of company					
Cash dividends	-	-	-	(151)	(151)
Balance at March 31, 2024	1,882	82	2	9,111	11,079

As Per our report of even date

For Haribhakti & Co LLP

Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Dhaval Pandya

Partner
Membership No. 160500

Place : Mumbai
Date : May 25, 2024

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

CIN : L21010MH1992PLC069281

Shilpan Patel

Managing Director
DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Joint Managing Director
DIN No - 00607101

Poonam Bansal

Company Secretary



Notes to the financial statement for the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs 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 (green) products, high-tech product and having Patents income for such products/technology. The company caters to both domestic and international markets. The registered office of the Company is located at 1/F Laxmi Industrial Estate, New Link Road, Andheri West, Mumbai, India.

2. Material 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 May 25, 2024.

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 lakhs, 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 40)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 36)
- Estimation of tax expenses and liability (Refer note 8 & 34)
- 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 43)

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 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 company, 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. 88 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.

v) Derecognition

The carrying amount of an item of PPE/intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE/intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognized.

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.

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.

- 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):

Effective April 1, 2019, the Company adopted In AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). (Refer Note 3A)

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-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 lease liability is initially measured at amortized cost at the present value of the 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 these leases. Lease liabilities are premeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a 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").

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.

MAT Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is viewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**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.

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 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 at transaction cost. 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-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.

V Segment Reporting

The Company determines segments based on the internal organisation and management structure of the Company and its system of internal financial reporting and the nature of its risks and its returns. The Board of Directors of the Company has been identified as Chief Operating Decision Maker (CODM). CODM evaluates the Company's performance, allocate resources based on analysis of various performance indicators of the Company for disclosing in the segment report. The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

Segment revenue includes income directly identifiable with the segments.

Expenses that are directly identifiable with the segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments and expenses which relate to the operating activities of the segment but are impracticable to allocate to the segment, are included under "Unallocable corporate expenses".

Income which relates to the Company as a whole and not allocable to segments are included in Unallocable Income and netted off from Unallocable corporate expenses.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Recent Accounting Pronouncements

The Company has applied the following Ind AS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendments rules, 2023, with effect from April 01, 2023. The effect is described below:

Application of New Accounting Pronouncements

The Company has applied the following INDAS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from 1st April, 2023. The effect is described below:

- a. Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the financial statements the disclosure of accounting policies including presentation of financial statements has been accordingly modified. The impact of such modification to the accounting policies including presentation of financial statements is insignificant.
- b. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the Financial Statements.
- c. Ind AS 12 – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements.



Notes to the financial statements for the year ended March 31, 2024
(All amounts in Indian rupees in lakhs unless otherwise stated)

3 Tangible and intangible assets

	Gross carrying amount			Accumulated depreciation / amortisation			Net block As At March 31, 2024
	Carrying amount as at April 01, 2023	Additions during the year	Disposal during the year	As at March 31, 2024	Up to April 01, 2023	Charge for the year	
A Property, plant and equipment							
Leasehold Land	31	464	-	495	2	3	5
Factory Building	300	26	-	326	168	31	199
Plant and Equipment	2,642	121	-	2,763	1,732	349	2,081
Furniture and Fixtures	75	35	-	110	50	18	68
Electrical Installation	65	1	-	66	43	6	17
Vehicles	94	64	-	158	59	10	69
Office Equipment	53	11	-	64	45	5	50
Computer	53	5	-	58	49	3	53
Office Building (Refer Note 1)	2	16	-	18	1	1	2
Total A	3,316	742	-	4,058	2,149	427	2,575
B Capital work-in-progress							
Patent rights	18	377	(184)	211	-	-	-
Total B	18	377	(184)	211	-	-	-
C Intangible assets							
Patent rights	220	12	-	233	188	12	200
Software	-	11	-	11	-	0	0
Total C	220	24	-	244	188	12	201
D Intangible assets under development							
Patent rights	85	23	(13)	96	35	-	35
Total D	85	23	(13)	96	35	-	35
Total (A+B+C+D)	3,639	1,166	(197)	4,609	2,372	439	2,811

Note : (1) Building having gross value of ₹.2 (P.Y. ₹. 2) 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.

Description of Property	Gross Carrying Value	Held in Name of	Whether Promoter, director or their relative or employee	property held since which Period	Reason for not being held in the name of company
Office Building	2	Rishil Exports	Relative of Promoter	01-04-1994	in process

(2) Detail of property, plant and equipment hypothecated : Hypothecation of tangible assets acquired by availment of borrowing (Refer Note 19).



Notes to the financial statements for the year ended March 31, 2024
(All amounts in Indian rupees in lakhs unless otherwise stated)

3 Tangible and intangible assets

	Gross carrying amount			Accumulated depreciation / amortisation			Net block As At March 31, 2023
	Carrying amount as at April 01, 2022	Additions during the year	Disposal during the year	As at March 31, 2023	Up to April 01, 2022	Charge for the year	
A Property, plant and equipment							
Leasehold Land	31	-	-	31	2	0	29
Factory Building	290	10	-	300	138	30	132
Plant and Equipment	2470	172	-	2,642	1416	316	910
Furniture and Fixtures	38	37	-	75	12	12	25
Electrical Installation	58	7	-	65	36	7	43
Vehicles	94	-	-	94	44	15	22
Office Equipment	47	6	-	53	37	8	35
Computer	50	2	-	53	42	7	8
Office Building (Refer Note 1)	2	-	-	2	1	-	4
Total A	3,081	235	-	3,316	1,753	395	2,149
B Capital work-in-progress							
Total B	20	65	(67)	18	-	-	18
C Intangible assets							
Patent rights	211	9	-	220	142	17	188
Total C	211	9	-	220	142	17	32
D Intangible assets under development							
Patent rights	52	33	-	85	-	35	50
Total D	52	33	-	85	-	35	50
Total (A+B+C+D)	3,364	341	(67)	3,639	1,896	412	2,372

Note : (1) Building having gross value of ₹.2 (P.Y. ₹. 2) 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.

Description of Property	Gross Carrying Value	Held in Name of	Whether Promoter, director or their relative or employee	property held since which Period	Reason for not being held in the name of company
Office Building	2	Rishil Exports	Relative of Promoter	01-04-1994	in process

(2) Detail of property, plant and equipment hypothecated : Hypothecation of fixed assets acquired by availment of borrowing (Refer Note 19)



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

3A Right to use

(i) Amounts to be recognised in balance sheet as on March 31, 2024

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2024	March 31, 2023
Lease hold land/building	8	23
Total	8	23

All lease agreements are duly executed in favour of the Company

Lease liabilities	March 31, 2024	March 31, 2023
Current	9	14
Non - Current	-	13
Total	9	27

(ii) Amounts to be recognised in Statement of Profit and Loss for the year ended March 31, 2024

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

Depreciation	March 31, 2024	March 31, 2023
Lease hold land/building	34	15
Total	34	15

Interest expenses on lease liabilities (included in finance cost) March 31, 2024 ₹ 2 (March 31, 2023 ₹ 6) (Refer note 30)

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

Particulars	March 31, 2024	March 31, 2023
Operating cash flows : Interest expenses	2	6
Lease Liabilities paid	20	17
Total	22	23


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

3B Capital WIP Ageing Schedule

As at March 31, 2024	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Tangible Assets					
Project in Progress	208	3	1	-	211
Projects temporarily suspended	-	-	-	-	-
	208	3	1	-	211
Intangible Assets					
Project in Progress	18	33	9	-	61
Projects temporarily suspended	-	-	-	-	-
	18	33	9	-	61

As at March 31, 2023	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Tangible Assets					
Project in Progress	3	15	-	-	18
Projects temporarily suspended	-	-	-	-	-
	3	15	-	-	18
Intangible Assets					
Project in Progress	33	14	-	3	50
Projects temporarily suspended	-	-	-	-	-
	33	14	-	3	50



Notes to the financial statements for the year ended March 31, 2024
(All amounts in Indian rupees in lakhs unless otherwise stated)

4 Investment Property

	Gross carrying amount		Accumulated depreciation			Carrying amount	
	Carrying amount as at April 01, 2023	As at March 31, 2024	Up to April 01, 2023	Charge for the year	Disposal during the year		Up to March 31, 2024
Guest House	17	-	5	1	-	5	11
Total	17	-	5	1	-	5	11

	Gross carrying amount		Accumulated depreciation			Carrying amount	
	Carrying amount as at April 01, 2022	As at March 31, 2023	Up to April 01, 2022	Charge for the year	Disposal during the year		Up to March 31, 2023
Guest House	17	-	4	1	-	5	12
Total	17	-	4	1	-	5	12

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

	As at March 31, 2024	As at March 31, 2023
Depreciation	1	1
Profit / (loss) from investment property	(1)	(1)
(ii) Fair value		
Investment property #	26	26

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 2, 2022 the fair value of investment property is Rs. 25.62 lakhs. The valuation model has considered various input like cost, location, market appreciation, etc.


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

5 Non-current Investments

	As at			
	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
<u>Investment in Equity instruments of subsidiaries (Unquoted) (Fully paid up) (Trade)</u>				
Investment in Arrow Green Technologies (UK) Limited of face value £1 each March 31, 2024 100% holding (March 31, 2023 100% holding)	20,099	16	20,099	16
Investment in Arrow Secure Technology Private Limited of face value ₹ 10 each March 31, 2024 100% holding (March 31, 2023 100% holding)	4,31,175	-	4,31,175	-
Investment in Avery Pharmaceuticals Private Limited of face value ₹ 10 each March 31, 2024 99.65 % (March 31, 2023 99% holding) (Refer Note 41 and 49)	7,12,000	3,639	2,47,500	25
Investment in LQ Arrow Security Products (India) Private Limited of face value ₹ 10 each March 31, 2024 51% holding (March 31, 2023 51% holding)	3,82,499	38	3,82,499	38
		3,693		79
<u>Investment in Equity instruments of Associates (Unquoted) (Fully paid up) (Trade)</u>				
Investment in SP Arrow Bio-Polymer Products Private Limited of face value ₹ 10 each March 31, 2024 46% holding (March 31, 2023 46% holding)	4,600	-	4,600	-
Investment in Sphere Bio-Polymers Private Limited of face value ₹ 10 each March 31, 2024 49% holding (March 31, 2023 49% holding)	4,900	-	4,900	-
		3,693		79
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		3,693		79
Aggregate amount of impairment in the value of investments		-		-
5 A Investments				
<u>in Equity Instruments (Unquoted), (Fully Paid), Non-Trade, at Fair value through Profit or Loss</u>				
Shamrao Vithal Co- operative Bank		0		0
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)		9		8
		9		8
Aggregate amount of quoted investments and market value thereof		9		8
Aggregate amount of unquoted investments		0		0
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, 2024		March 31, 2023	
	Units	Amount	Units	Amount
ICICI Prudential Savings Fund - Daily Dividend	1,951	2	1,951	2
HDFC Liquid Fund- Regular Plan - Growth	134	6	134	6
		9		8


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
6 Loans		
<u>Unsecured, considered good</u>		
Loan to Subsidiary (Refer Note 41,46 & 49)	47	3,050
Less: Allowance for Expected credit loss on loans	(1)	(74)
	46	2,976
7 Other financial assets		
Fixed deposits with Bank (maturity more than 12 months) *	1,238	9
Security deposits - Others	94	42
Less: Allowance for Expected credit loss on deposits	(5)	(2)
	1,328	49
*Held as lien by bank against bank guarantee/Security Deposit of Mar 31, 2024 ₹ 999; Mar 31,2023 ₹ 9. The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and considered to be good.		
8 Income tax liabilities (Net)		
Provision for Income Tax (Net of advance tax for March 31, 2024 ₹ 2,677, for March 31, 2023 ₹ 1,192)	91	225
	91	225
9 Other non-current assets		
<u>Unsecured, considered good</u>		
Capital advances		
- Considered Good	11	28
- Considered doubtful	3	3
Less: Allowance for Expected credit loss on advances	(3)	(3)
	11	28
Insurance Claim Receivable (Refer Note 48)	-	71
	11	99
10 Inventories		
<u>Raw materials and components:</u>		
Polyvinyl Alcohol	269	198
Coatings & additives	375	424
Substrates	198	86
Others	14	23
Raw material in Transit	133	-
Total	989	731
<u>Work in progress:</u>		
Water Soluble Films	64	26
Anti Counterfeit products	743	309
<u>Finished goods:</u>		
Water Soluble Films	55	82
Anti Counterfeit products	211	256
<u>Stock in trade</u>		
Bioplast	0	0
Other (Including PVA)	0	-
Total	0	0
Stores and spares	102	31
	2,163	1,435

Stock in Trade Bioplast in Absolute figures for March 31, 2024 ₹ 9,045 and in others ₹ 4,308 (March 31, 2023 - ₹ 18,626 and ₹ Nil)


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
11 Trade Receivables		
Unsecured		
Dues from subsidiaries, considered good (Refer Note 41)	20	96
Dues from other trade receivables considered good	2,415	1,975
Dues from other trade receivables considered doubtful	77	79
Less: Allowance for doubtful debts	(77)	(79)
	2,435	2,071

Note: Trade receivable are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts.

No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Nor any trade or other receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.

Trade Receivable Ageing

As at March 31, 2024	Not due	Less than 6 Months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivable							
- Considered Good	1,321	1,107	6	1	-	-	2,435
(ii) Undisputed Trade Receivable							
- Considered Doubtful	-	8	6	5	-	58	77
(iii) Disputed Trade Receivable							
- Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable							
- Considered Doubtful	-	-	-	-	-	-	-
Total(A)	1,321	1,115	12	6	-	58	2,512
Allowance for expected credit Loss	-	8	6	5	-	58	77
Total (B)	-	8	6	5	-	58	77
Total (A)-(B)	1,321	1,107	6	1	-	-	2,435
Percentage of expected credit loss followed for each bracket		1%	50%	83%	0%	100%	

Trade Receivable Ageing

As at March 31, 2023	Not due	Less than 6 Months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivable							
- Considered Good	185	1,878	7	1	-	-	2,071
(ii) Undisputed Trade Receivable							
- Considered Doubtful	-	9	6	4	-	37	56
(iii) Disputed Trade Receivable							
- Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable							
- Considered Doubtful	-	-	-	-	-	23	23
Total(A)	185	1,887	13	5	-	60	2,150
Allowance for expected credit Loss	-	9	6	4	-	60	79
Total (B)	-	9	6	4	-	60	79
Total (A)-(B)	185	1,878	7	1	-	-	2,071
Percentage of expected credit loss followed for each bracket		0%	47%	80%	0%	100%	


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
12 Cash and cash equivalents		
<u>Balance with bank:**</u>		
On current accounts	90	154
Deposits with original maturity of less than 3 months	2	7
Cash on hand	1	1
	93	162
**The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.		
13 Bank balances other than cash and cash equivalents		
Unclaimed Dividend Account	21	32
Employer Gratuity Account	-	2
Deposits with maturity of more than 3 months but less than 12 months ***	1,352	2,114
	1,373	2,148
***Held as lien by bank against bank guarantee of March 31, 2024 ₹ 73, March 31, 2023 ₹ 312. The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.		
14 Loans		
<u>Unsecured, considered good</u>		
Loan to Employees (Repayable on demand)	8	1
Less: Allowance for expected credit loss on loans to employees	(0)	(0)
	8	1
15 Other financial assets		
<u>Unsecured, considered good</u>		
Interest accrued on deposits with bank	22	6
Export benefit receivable	8	16
	31	22
16 Other current assets		
<u>Unsecured, considered good unless stated otherwise</u>		
Advance to suppliers	144	79
Prepaid expenses	50	17
Advance to employees	2	4
Balance with Government authorities	189	9
	385	109

No advances are due from directors or other officers of the Company or any of them either severally or jointly with any other person.


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

17 Share capital
a) Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each	1,75,00,000	1,750	1,75,00,000	1,750
Issued, Subscribed and Paid Up :				
Equity shares of ₹ 10 each fully paid	1,50,87,938	1,509	1,40,87,938	1,409
Equity shares of ₹ 10 each fully paid, Preferential issue (Refer Note 17(d))	-	-	10,00,000	100
	1,50,87,938	1,509	1,50,87,938	1,509

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

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,50,87,938	1,509	1,40,87,938	1,409
Add: Equity Shares (Preferential issue) issued during the year (Refer Note 17(d))	-	-	10,00,000	100
Outstanding at the end of the year	1,50,87,938	1,509	1,50,87,938	1,509

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.

- d) Pursuant to resolution passed at the meeting of the Board of Directors on the Company held on October 17, 2022, the Company had issued and allotted, on preferential basis 10,00,000 equity shares of face value of ₹ 10/- each at a price of ₹ 108/- (including securities premium of ₹ 98/- per equity share) to promoter and non-promoter group. The object of this preferential issue is to utilize the proceeds to meet working capital requirement and expansion of business, general corporate purpose and such other purpose as the Board may decide from time to time. Funds raised are utilised as per below details.

Particulars	Amount as on March 31, 2024
Total Fund raised from issue of Preferential Equity Shares	1,080
Less: Utilised for Working Capital	480
Less : Purchase of Industrial Land at GIDC Dahej	464
Balance Fund- Invested in Fixed Deposits	136


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

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

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Business Advisory Private Limited	9,96,014	6.60%	9,96,014	6.60%
Jigisha S. Patel	18,22,205	12.08%	18,22,205	12.08%
Shilpan P. Patel	54,06,346	35.83%	54,06,346	35.83%
Shilpan Patel (HUF)	10,29,180	6.82%	10,29,180	6.82%
	92,53,745	61.33%	92,53,745	61.33%

As per the records of the Company, including its register of members.

f) Details of shares held by promoters

Name of Promoters	Number of shares	% of Holding	% change during the year
Arrow Business Advisory Private Limited	9,96,014	6.60%	-
Jigisha S. Patel	18,22,205	12.08%	-
Shilpan P. Patel	54,06,346	35.83%	-
Shilpan Patel (HUF)	10,29,180	6.82%	-
Neil Patel	5,39,810	3.58%	-
Rishil Patel	5,47,000	3.63%	-
Manisha Sindhi	10,000	0.07%	-
	1,03,50,555	68.60%	-

		As at	
		March 31, 2024	March 31, 2023
18 Other Equity			
General Reserve	18 (i)	2	2
Capital Reserve	18 (ii)	82	82
Securities Premium Reserve	18 (iii)	1,882	1,882
Retained Earnings	18 (iv)	9,111	5,340
		11,079	7,306
	Reserves and surplus		
18 (i) General reserve			
Balance at the beginning of the year		2	2
Movement during the year		-	-
Balance as at the year end		2	2
18 (ii) Capital reserve			
Balance at the beginning of the year		82	82
Movement during the year		-	-
Balance as at the year end		82	82
18 (iii) Securities premium reserve			
Balance at the beginning of the year		1,882	902
Movement during the year		-	980
Balance as at the year end		1,882	1,882


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
18 (iv) Retained earnings		
Opening Balance at the beginning of the year	5,340	3,460
Add : Profit for the year	3,930	1,888
Less : Dividend paid	(151)	-
Items that will not be reclassified to profit or loss :		
- Remesurment of defined benefit obligation net of taxation	(8)	(8)
Balance as at the year end	9,111	5,340
	11,079	7,306

The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

	As at	
	March 31, 2024	March 31, 2023
Dividend paid during the year		
Final dividend for the FY 2022-23 [₹ 1/- (Previous year - FY2021-22 - ₹ NIL) per equity share of face value of ₹ 10 each]	151	NIL

Proposed dividend for F.Y. 2023-24 is ₹ 2/- per equity share of face value of ₹ 10 each amounting to ₹ 302 lakhs (Previous year - ₹ 1 per equity share of face value of ₹ 10 each), subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability. If approved, the total dividend (interim and final dividend) for the financial year 2023-24 will be ₹ 2 (Rupees two only) per equity share of the face value of ₹ 10 each (₹ 1 per equity share of the face value of ₹ 10 each was paid as total dividend for the previous year).

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, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
19 Non current Borrowings		
Loan from Others (Secured)		
Term Loan (Secured)	-	192
Vehicle loan (Secured)	23	33
Less: Current Maturities of long term borrowings (Refer note 19A)	(10)	(134)
	13	91

Loan from Non banking Financial Company Siemens Financial Services Pvt Ltd has been paid off in March 24, (Final payment ₹ 69.42). The Loan was secured by Hypothecation of Fixed Assets acquired and charge is satisfied basis the final repayment.

Vehicle loan of ₹ 23 (March 31, 2023 : ₹ 33) carries interest @ 6.74% p.a. The loans are repayable in 60 monthly instalments along with interest starting from May 2021. The loan is secured by hypothecation of fixed assets acquired. This loan was utilised for purchase of motor vehicle.

	As at	
	March 31, 2024	March 31, 2023
19A Current Borrowings		
Current Maturities of long term borrowings	10	134
Vehicle Loan (Secured)	10	-
Vehicle loan of ₹ 10 (March 31, 2023 : Nil) carries interest @ 8.36 % p.a. The loans are repayable in 12 monthly instalments along with interest starting from May 2024. The loan is secured by hypothecation of fixed assets acquired. This loan was utilised for purchase of motor vehicle.	20	134
20 Provisions		
Provision for employee benefits		
Leave encashment (un funded) (Refer Note 40)	39	33
	39	33
21 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 39)	11	3
Total outstanding dues to Related Party (Refer Note 41)	-	65
Total outstanding dues to others	260	753
	271	821

Trade Payable Ageing (including capital payables)

As at March 31, 2024	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(I) MSME					
- Disputed	2	-	-	2	4
- Undisputed	7	-	-	-	7
(ii) Others					
- Disputed	-	-	-	-	-
- Undisputed	351	9	9	167	536
Total	360	9	9	169	547


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

As at March 31, 2023	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME					
- Disputed	-	-	-	2	2
- Undisputed	1	-	-	-	1
(ii) Others					
- Disputed	-	-	-	-	-
- Undisputed	796	23	3	164	986
Total	797	23	3	166	989

	As at	
	March 31, 2024	March 31, 2023
22 Other financial liabilities		
Interest Accrued but not due	0	1
Unclaimed Dividend ^	21	32
Employee Benefits Payable	88	72
Outstanding liability for expenses	79	116
Trade payable for capital goods (other than small and medium enterprises) (Refer Note 21)		
- Dues to subsidiary (Refer Note 41)	63	61
- Dues to others	213	107
	464	388
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
23 Provisions		
Provision for employee benefits		
- Gratuity (funded) (Refer Note 40)	34	27
- Leave encashment (un funded) (Refer Note 40)	4	3
	38	30
24 Other current liabilities		
Statutory Dues Payable	44	34
Advances from customers	10	9
	54	43


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	Year ended	
	March 31, 2024	March 31, 2023
25 Revenue from Operations		
<u>Sale of products (net of sales return)</u>		
Finished goods	12,966	9,205
Traded goods	83	1,072
<u>Services rendered</u>		
Royalty Income - Patent (Refer Note 41)	131	266
<u>Other Operating Revenue</u>		
Sale of scrap	18	7
Revenue from Operations	13,197	10,551
Detail of Sale of Products / Services		
<u>Finished goods sold</u>		
Water Soluble Films	2,474	2,329
Other Business	10,492	6,876
	12,966	9,205
<u>Traded goods sold</u>		
Cleaning Products	18	28
Other Business	65	1,044
	83	1,072
Detail -Geography wise Operations		
Export Sales	1,185	1,280
Local sales	12,013	9,271
	13,197	10,551
26 Other Income		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	0	-
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	151	31
On Loans and Deposits (Refer Note 41)	313	255
On Others	4	-
Foreign Exchange Gain (net)	6	6
Miscellaneous Income	34	30
Provision Written Back	75	85
Net Gain on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through Profit and Loss	0	-
Service Fee (Refer Note 41)	4	4
	588	411


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	Year ended	
	March 31, 2024	March 31, 2023
27 Cost of Material Consumed		
Inventory at the beginning of the year	731	372
Add: Purchases	5,676	5,458
Less: Inventory at the end of the year	856	731
Less: Raw material in Transit	133	-
	5,418	5,099
28 Change in inventory of finished goods, work-in-progress & stock in trade		
<u>Inventories at the end of the year</u>		
Stock In Trade	0	-
Work-in-progress	806	335
Finished goods	265	338
<u>Inventories at the beginning of the year</u>		
Stock In Trade	-	1
Work-in-progress	335	140
Finished goods	338	48
	(399)	(484)
29 Employees Benefits Expenses		
Salary, Wages and Bonus	1,017	799
Contribution to Provident and other funds (Refer Note 40)	24	21
Gratuity and Leave Encashment (Refer Note 40)	24	8
Staff welfare expenses	27	20
	1,092	848
30 Finance Cost		
Interest on Secured Loan	18	58
Processing and Other Charges	11	23
Interest on Lease (Refer Note 3A)	2	6
Others	3	17
	34	104


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	Year ended	
	March 31, 2024	March 31, 2023
31 Other Expenses		
Consumption of stores and spares	134	130
Repair and Maintenance - Building	41	16
Repair and Maintenance - Machinery	9	16
Repair and Maintenance - Other	10	11
Rent (Refer Note 37)	16	3
Insurance	33	24
Power and Fuel	509	520
Labour Charges	57	40
Factory Expenses	72	82
Selling and Promotion Expenses	15	3
Freight and Forwarding	94	117
Postage and Telephone Expenses	10	14
Printing and Stationery	6	5
Travelling and Conveyance	153	126
Legal and Professional Charges	418	285
Sitting Fees	11	10
Patent Charges	36	31
Patent written off (including under development)	-	64
Donations	11	11
Provision For Doubtful advances	3	76
Provision for expected credit loss on claims receivable (Refer Note 49)	-	35
Payment to Auditors (Exclusive of Goods and Services tax) (Refer Note 32)	19	17
Corporate Social Responsibility Expense (Refer Note 33)	40	33
Bank Charges	15	15
Commission on Sales	69	71
Miscellaneous Expenses	85	82
	1,867	1,837
32 Payment to Auditors (Exclusive of Goods and Services tax)		
As auditor		
Auditors Remuneration	12	10
Tax audit fees	2	2
Limited review fees	5	5
Other Capacity		
Other services (Certification fees)	1	1
	19	17


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	Year ended	
	March 31, 2024	March 31, 2023
33 Corporate Social Responsibility Expense		
1. Amount required to be spent by the company during the year (including shortfall for earlier years)	18	NIL
2. Amount of expenditure incurred on:		
(I) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	40	33
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall*	-	-
5. Reason for shortfall	'N.A.	'N.A.
6. Nature of CSR activities	Donation given to charitable trusts	Donation given to charitable trusts
7. Details of related party transactions in relation to CSR expenditure:	-	-
	40	33
34 Income taxes		
a. Income tax expense is as follows:		
Statement of Profit and Loss		
Current tax:		
Tax for the year	1,383	655
Adjustments for current tax of prior periods	(32)	(53)
Total current tax expense	1,351	602
Deferred tax:		
Deferred tax expenses	(46)	170
Total deferred tax expense	(46)	170
Income tax expense	1,305	772
Other comprehensive income		
Deferred tax related to OCI items:		
Net loss on remeasurements of defined benefit plans	(3)	(3)
	(3)	(3)



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs 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, 2024		March 31, 2023	
Profit before tax		5,235		2,660
Tax at the Indian tax rate	25.17%	1,317	29.12%	775
Tax effects on amounts which are not deductible (taxable) in calculating taxable income				
Tax effect of:				
Tax adjustment for earlier years	(0.61%)	(32)	(1.99%)	(53)
Non-deductible expenses	0.32%	17	(0.28%)	(7)
Others	0.04%	2	0.30%	8
	24.92%	1,305	29.03%	772

c. Deferred Tax Assets (net)

(i) Movement in deferred tax assets for the year ended March 31, 2024

	Net balance March 31, 2023	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2024
Property, plant and equipment	(16)	(84)	-	(100)
Fair valuation of investments in mutual fund	3	0	-	3
Provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(92)	(2)	(3)	(98)
Others	(40)	40	-	0
	(146)	(46)	(3)	(195)

(ii) Movement in deferred tax liabilities for the year ended March 31, 2023

	Net balance March 31, 2022	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2023
Property, plant and equipment	(13)	(3)	-	(16)
Fair valuation of investments in mutual fund	0	3	-	3
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(31)	(58)	(3)	(92)
Others	(42)	2	-	(40)
Brought forward losses	(163)	163	-	-
MAT Credit	(63)	63	-	-
	(312)	170	(3)	(146)


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	Year ended	
	March 31, 2024	March 31, 2023
35 Earnings Per Share		
Calculation of basic and diluted Earnings per share is as follows:		
Profit for the year attributable to Owners of the Company	3,930	1,888
Weighted average number of equity shares		
- Basic	1,50,87,938	1,44,20,343
- Diluted	1,50,87,938	1,44,20,343
Earnings per share (in ₹)		
- Basic	26.05	13.09
- Diluted	26.05	13.09

	As at	
	March 31, 2024	March 31, 2023
36 Contingent liabilities and Commitments		
<u>Contingent Liabilities</u>		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 0 (Previous year: ₹ 2.50)	-	74
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 57.32 (Previous year: ₹ 57.32)	552	552
(c) Bank Guarantees and LC given	1,930	1,165
	2,482	1,792

	As at	
	March 31, 2024	March 31, 2023
37 Leases		
Lease rent expenses for the year	16	3

38 In accordance with IND AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosures on segment information is given in these financial statements.



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

39 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, 2024	March 31, 2023
The amount remaining unpaid to micro and small suppliers as at the end of the year :		
- Principal	9	1
- Interest	2	2
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	2	2
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

40 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, 2024	March 31, 2023
Employer's Contribution to Provident Fund	23	19
Employer's Contribution to Employees State Insurance Corporation	1	2

ii) 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


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Reconciliation of the net defined benefit obligation:

	Year ended	
	March 31, 2024	March 31, 2023
Opening defined benefit obligation	105	81
Benefits paid	(3)	(0)
Current service cost	9	6
Interest cost	8	6
Actuarial losses / (gain) recognized in other comprehensive income		
changes in demographic assumptions	-	-
changes in financial assumptions	10	9
experience adjustments	(0)	3
Closing defined benefit obligation	128	105

Reconciliation of the fair value of plan assets:

	Year ended	
	March 31, 2024	March 31, 2023
Opening fair value of plan assets	79	64
Interest Income	6	5
Employer contributions	14	10
Benefits paid	(3)	(0)
Actuarial gains on Plan Assets	(1)	1
Closing fair value of plan assets	95	79

Balance sheet reconciliation

	As at	
	March 31, 2024	March 31, 2023
Opening defined benefit obligation	105	81
Opening fair value of plan assets	(78)	(64)
Expenses recognised in profit and loss	11	8
Expenses recognised in Other Comprehensive Income	11	11
Employer contributions	(14)	(9)
Net (Asset) / Liability recognised in the Balance Sheet	34	27


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Expenses recognised in Statement of Profit and Loss:

	Year ended	
	March 31, 2024	March 31, 2023
Current service cost	9	6
Interest cost	2	1
	11	8

Remeasurements recognised in other comprehensive income

	Year ended	
	March 31, 2024	March 31, 2023
Actuarial (gain) loss on defined benefit obligation	10	12
Return on plan assets excluding interest income	1	(1)
	11	11

Analysis of plan assets

	As at	
	March 31, 2024	March 31, 2023
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	100%	100%

Maturity profile of defined benefit obligation

	As at	
	March 31, 2024	March 31, 2023
1 Year	26	26
2 to 5 years	21	18
6 to 10 years	57	50
More than 10 years	182	137

Actuarial assumption

Principal actuarial assumption used to determine net periodic benefit cost and benefit obligation at the reporting dates;

	As at	
	March 31, 2024	March 31, 2023
Discount Rate (p.a.)	7.22%	7.50%
Salary escalation rate (p.a.)	8.00%	7.00%
Expected rate of return on assets	7.22%	7.50%
Attrition rate	Service < 5 - 10% Service >=5 - 3%	Service < 5 - 10% Service >=5 - 3%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Mortality rate after employment	NA	NA



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs 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, 2024	March 31, 2023
Projected Benefit Obligation on Current Assumptions	128	105
Discount Rate: 1% increase	(10)	(7)
Discount Rate: 1% decrease	12	9
Future salary growth: 1% increase	9	6
Future salary growth: 1% decrease	(8)	(6)
Change in Rate of Employee Turnover : 1% Increase	0	1
Change in Rate of Employee Turnover : 1% Decrease	(0)	(1)

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, 2024	March 31, 2023
Compensated absences liability	43	36

Actuarial assumption

	As at	
	March 31, 2024	March 31, 2023
Discount rate	7.22%	7.50%
Long-term rate of compensation increase	8.00%	7.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 13 (March 31, 2023 ₹ 1)


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

41 Related party disclosures

a) Related parties and their relations

Name of Related Party	Relationship
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 Advance Secure Products B.V.	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
Advance Business Solutions Arrow Business Advisory Pvt. Ltd.(formerly known as Arrow Convertor Pvt. Ltd)	Enterprises over which Key Management Personnel are able to exercise significant influence


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

b) Transaction with Related Parties & Outstanding Balance as on March 31, 2024 and March 31, 2023 :

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<u>Arrow Green Technologies (UK) Limited</u>				
Royalty Income - Patent	78	145	20	38
Sale of Finished Goods	11	24	-	26
<u>Advance IP Technologies Limited</u>				
Royalty Income - Patent	52	121	-	32
Purchase of Machinery	-	-	(63)	(61)
<u>Avery Pharmaceuticals Private Limited</u>				
Loan given to Avery Pharmaceuticals Private Limited	330	468	47	2,415
Interest on Loan given	313	255	0	635
Sale of Services	4	4	-	-
Purchase of Machinery	5	-	-	-
<u>Mr. Shilpan P. Patel</u>				
Rent Expenses	2	13	(4)	(2)
<u>Arrow Business Advisory Pvt. Ltd. (formerly known as Arrow Convertor Pvt. Ltd)</u>				
Rent Expenses	16	5	-	-
<u>Advance Business Solutions</u>				
Purchase of Raw Material	3,184	3,087	-	(65)
<u>Investment in subsidiaries</u>				
Arrow Green Technologies (UK) Limited	-	-	16	16
Avery Pharmaceuticals Private Limited	3,614	-	3,639	25
LQ Arrow Security Products (India) Private Limited	-	-	38	38
<u>Director Sitting Fees</u>				
Mr. Dinesh Modi	3	3	-	-
Mr. Haresh Mehta	3	2	-	-
Mr. Harish Mishra	3	2	-	-
Mrs. Jigisha Patel	2	1	-	-
Mr. Prashant Sushilchandra Mehta	0	-	-	-
Mr Dinkarray Trivedi(Resigned w.e.f. 13th April 2023)	-	2	-	-
<u>Remuneration to Key Managerial Personnel & Relatives</u>				
Mr. Shilpan P. Patel - Managing Director	101	81	-	-
Mr. Neil Patel - Joint Managing Director	101	81	-	-
Mr. Hitesh Punglia - Chief Financial Officer	80	79	-	-
Mrs. Poonam Bansal - Company Secretary	15	13	-	-



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

42 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, 2024	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Financial assets:							
Non Current Financial Assets							
Investments	0	9	-	9	9	-	-
Loans	46	-	-	46	-	-	-
Other financial asset	1,328	-	-	1,328	-	-	-
Current Financial Assets							
Trade Receivables	2,435	-	-	2,435	-	-	-
Cash and cash equivalents	93	-	-	93	-	-	-
Bank balances other than Cash and cash equivalents	1,373	-	-	1,373	-	-	-
Loans	8	-	-	8	-	-	-
Other financial assets	31	-	-	31	-	-	-
Total	5,314	9	-	5,322	9	-	-
Financial liabilities:							
Non Current Financial liabilities							
Borrowings	13	-	-	13	-	-	-
Current Financial liabilities							
Borrowings	20	-	-	20	-	-	-
Trade payables	271	-	-	271	-	-	-
Other financial liabilities	464	-	-	464	-	-	-
Lease Liabilities	9	-	-	9	-	-	-
Total	777	-	-	777	-	-	-


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

B As at March 31, 2023	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Financial assets:							
Non Current Financial Assets							
Investments	0	8	-	8	8	-	-
Loans	2,976	-	-	2,976	-	-	-
Other financial asset	49	-	-	49	-	-	-
Current Financial assets							
Trade Receivables	2,071	-	-	2,071	-	-	-
Cash and cash equivalents	162	-	-	162	-	-	-
Bank balances other than Cash and cash equivalents	2,148	-	-	2,148	-	-	-
Loans	1	-	-	1	-	-	-
Other financial assets	22	-	-	22	-	-	-
Total	7,429	8	-	7,437	8	-	-
Financial liabilities:							
Non Current Financial liabilities							
Borrowings	91	-	-	91	-	-	-
Lease Liabilities	13	-	-	13	-	-	-
Current Financial liabilities							
Borrowings	134	-	-	134	-	-	-
Trade payables	821	-	-	821	-	-	-
Other financial liabilities	388	-	-	388	-	-	-
Lease Liabilities	14	-	-	14	-	-	-
Total	1,461	-	-	1,461	-	-	-

During the reporting period ended 31 March 2024 and 31 March 2023, there was no transfer between level 2 and level 3 fair value measurements.

43 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.



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

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.

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, 2024	March 31, 2023
Less than 180 days	2,436	2,072
From 181 - 365 days	12	13
More than 365 days	64	66
Total	2,512	2,151
Less : Provision for Doubtful Debts	79	139
Add: Reversal of provision for doubtful debts	(2)	(60)
Total	2,435	2,071

Expected credit loss assessment for customers as at March 31, 2023 and March 31, 2024

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.



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows

	Amount
Balance as at April 1, 2022	139
Impairment loss recognised	-
Reversal of impairment loss on realisation of amount	(60)
Balance as at March 31, 2023	79
Impairment loss recognised	-
Reversal of impairment loss on realisation of amount	(2)
Balance as at March 31, 2024	77

Cash and bank balance

The Company held cash and bank balance with credit worthy banks and financial institutions of ₹ 2,705 lakhs and ₹ 2,319 lakhs as at March 31, 2024 and March 31, 2023, 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 contractual undiscounted payments.

	As at March 31, 2024			As at March 31, 2023		
	Carrying amount	Less than 1 year	1 to 4 years	Carrying amount	Less than 1 year	1 to 4 years
Non derivative						
Borrowing (Including Interest)	35	21	14	249	154	95
Trade payables	271	271	-	821	821	-
Lease Liability	9	9	-	27	14	13
Other financial liabilities	464	464	-	388	388	-
Bank Guarantee & LC given	-	490	1440	-	940	225

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, 2024

(All amounts in Indian rupees in lakhs 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	CHF	Total
March 31, 2024					
Financial assets					
Trade receivables	-	22	20	-	42
Net exposure to foreign currency risk (assets)	-	22	20	-	42
Financial Liabilities					
Trade payables	0	90	7	5	103
Trade payables for capital Goods	-	76	169	-	245
Net exposure to foreign currency risk (liabilities)	0	166	176	5	348
Rupee Conversion Rate	83.37	90.22	105.29	92.36	
March 31, 2023					
Financial assets					
Trade receivables	234	22	95	-	351
Net exposure to foreign currency risk (assets)	234	22	95	-	351
Financial Liabilities					
Trade payables	155	218	192	-	566
Trade payables for capital Goods	-	-	163	-	163
Net exposure to foreign currency risk (liabilities)	155	218	355	-	729
Rupee Conversion Rate	82.17	89.44	101.65	NA	

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, 2024		March 31, 2023	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	(0.00)	0.00	0.78	(0.78)
EUR	(1.44)	1.44	(1.96)	1.96
GBP	(1.56)	1.56	(2.60)	2.60
Increase / (decrease) in profit and loss	(3.01)	3.01	(3.78)	3.78

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, 2024

(All amounts in Indian rupees in lakhs 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, 2024	March 31, 2023
Variable rate borrowings	-	-
Fixed rate borrowings	33	225
Total borrowings	33	225

44 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.

Particulars	March 31, 2024	March 31, 2023
Borrowings		
Long term and Short term borrowings	13	91
Current maturities of Long term borrowings (including interest accrued but not due)	20	134
Less: Cash and cash equivalents	(93)	(162)
Adjusted net debt	(60)	63
Total Equity	12,588	8,815
Adjusted net debt to equity ratio	(0.00)	0.01

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.

45 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	
		March 31, 2024	March 31, 2023
		%	%
Arrow Green Technologies (UK) Limited	United Kingdom	100	100
Advance IP Technologies Limited	United Kingdom	95	95
Advance Secure Products BV	The Netherlands	100	100
Arrow Secure Technology Private Limited	India	100	100
Avery Pharmaceuticals Private Limited	India	99.65	99
LQ Arrow Security Products (India) Private Limited	India	51	51


Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Associates	Principal place of business/country of incorporation	Percentage of ownership Interest as on	
		March 31, 2024	March 31, 2023
		%	%
SP Arrow Bio Polymer Products Private Limited	India	46	46
Sphere Bio Polymer Private Limited	India	49	49

46 Loans
A Loans and advances in the nature of loans to subsidiaries and associates (pursuant to Clause 32 of the Listing Agreement with Stock Exchanges):

Name of the Company	Relationship	Balance		Maximum Balance	
		March 31, 2024	March 31, 2023	2023-2024	2022-2023
Avery Pharmaceuticals Private Limited	Direct Subsidiary	47	3,050	3,636	3,050
Loan to Avery Pharmaceuticals Private Limited		47			
Allowance for doubtful Loans		(1)			
Loan to Avery Pharmaceuticals Private Limited (net of Provision)		46			

Notes:

- i) The Interest rate for repayment is 10% p.a. (Previous Year 10% p.a)
- ii) There are no other loans and advances in the nature of loans where there is no repayment schedule.
- iii) Above figures are including accrued interest
- iv) Loans and advances to employees and investment by such employees in the shares of the Company, if any, are excluded from the above disclosure.



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

B DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- (i) Details of Investments made are given in Note 5 and 5A
- (ii) Details of loans given by the Company are as follows:

Name of the Company	As At March 31, 2024	As At March 31, 2023	Maximum balance outstanding during the year	Purpose / utilisation by the borrower	Terms and conditions
Avery Pharmaceuticals Private Limited	47	3,050	3,636	To setup pharmaceutical factory to manufacture Mouth Dissolving Strips & working capital requirement	The Interest rate for repayment is 10% p.a. (Previous Year 10% p.a)

Note: The above figures are including accrued interest

- (iii) There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder

48 Financial Ratio

Ratio / Measure	Methodology	March 31, 2024	March 31, 2023
(a) Current ratio ¹	Current assets over current liabilities	7.58	4.15
(b) Debt-Equity ratio ²	Debt over total shareholders' equity	0.00	0.03
(c) Debt Service Coverage ratio ³	EBITDA over Interest bearing Debt + Interest	112.35	11.28
(d) Return on Equity ratio ⁴	PAT over total average equity	36.72%	25.75%
(e) Inventory turnover ratio ⁵	Cost of goods sold over average inventory	129.53	72.91
(f) Trade Receivables turnover ratio ⁶	Revenue from operations over average trade receivables	5.86	9.00
(g) Trade payables turnover ratio	Cost of goods sold over average trade payables	9.31	9.11
(h) Net capital turnover ratio	Revenue from operations over working capital	2.34	2.34
(i) Net profit ratio ⁷	Net profit over revenue	29.78%	17.90%
(j) Return on Capital employed ⁷	PBIT over capital employed	45.10%	34.79%
(k) Return on investment ⁸	Interest income, net gain on sale of investments and fair value gain over average investments	7.00%	0.00%

Explanation for variance exceeding 25% :

- 1 Increase in current ratio due to increase in inventories, Trade receivables and correspondingly decrease in current borrowings and trade payables.
- 2 Debt - Equity ratio has improved as debts have been paid off & profits have increased due to better performance
- 3 With good performance of the Company, the Company's Ebitda has increased considerably along with repayment of borrowings leads to improvement in debt service coverage ratio.
- 4 PAT has improved significantly due to increase in turnover of the Company, which has resulted in increase in ratio.
- 5 Turnover of the Company has improved considerably. As a result, the inventory turnover ratio has increased.
- 6 Turnover of the Company has improved considerably & the realisation from debtors have been made resulting decrease in Debtors turnover ratio.
- 7 Improved performance in turnover has maintained better return on capital & better profit ratio.
- 8 Dividend income and fair valuation gain on investments resulted in improvement in ROI.



Notes to the financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

48 Loss by Fire

The company has successfully concluded its Fire Insurance Claim for the year 2019, by receiving the final tranche of settlement amount of ₹ 79 Lakhs. The company had prudently made provisions totalling ₹ 71 Lakhs in anticipation of potential claim liabilities. Furthermore, as part of the reconciliation process following the final settlement, the company reversed a provision of ₹ 8 Lakhs.

49 Investment in Subsidiary company

During the year the Company vide resolution dated March 27, 2024, passed in the meeting of Board of Directors, converted loans (including interest) amounting to ₹ 3,614 lakhs of Avery Pharmaceuticals Private Ltd. ("subsidiary company") in to 4,64,500 equity shares of face value ₹ 10 each at a price of ₹ 778 (including Security premium of ₹ 768 per equity share).

50 Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- (iii) The Company has not come across any transaction occurred with struck-off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- (iv) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (v) The Company does not have any charges or satisfaction of charges which is yet to be registered with the Registrar of the Companies beyond the statutory period.
- (vi) Utilization of borrowed funds and share premium :
 - (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 - (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (vii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- viii) The Company has not revalued its Property, Plant and Equipment during the year.
- ix) The Company has not revalued its intangible assets during the year

51 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year-end, the Company has reviewed all such contracts and confirmed that no provision is required to be created under any law / accounting standard towards any foreseeable loss.

**Notes to the financial statements for the year ended March 31, 2024****(All amounts in Indian rupees in lakhs unless otherwise stated)**

- 52 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published
- 53 The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on May 25, 2024.
- 54 The Board of Directors have recommended a dividend of ₹ 2/- per Equity Share of ₹ 10/- each (20%) for the year ended March 31, 2024, which is subject to approval of shareholder's in ensuing Annual General Meeting.
- 55 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**
CIN : L21010MH1992PLC069281

Shilpan Patel
Managing Director
DIN No - 00341068

Neil Patel
Joint Managing Director
DIN No - 00607101

Place : Mumbai
Date : May 25, 2024

Hitesh Punglia
Chief Financial Officer

Poonam Bansal
Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Members of Arrow Greentech Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated 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, 2024, 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 financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "consolidated 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 financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the consolidated state of affairs of the Group and its associates as at March 31, 2024, their consolidated profit (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 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 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 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 financial statements.

Key Audit 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 Management Discussion and Analysis and Director's Report forming part of annual report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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 Board of Directors either intends to liquidate the Group including its associates 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 financial statements, including the disclosures, and whether the consolidated 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 financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 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 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 Matters

- (a) We did not audit the financial statements of six subsidiaries (including 2 Step-down Subsidiaries), whose financial statements reflects total assets of Rs. 5,118 Lakhs and net assets of Rs. 4,177 Lakhs as at March 31, 2024, total revenues of Rs.1,795 Lakhs and net cash inflows amounting to Rs.142 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include Group's share of net loss of Rs. NIL for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by



the management and our opinion on the consolidated 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 financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- (1) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiaries taking into consideration the reports of other auditors on separate financial statements of subsidiaries, included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the aforesaid CARO reports.

This report does not contain a statement on the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government of India in terms of section 143(11) of the Act, since in our opinion and according to the information and explanations given to us and on the consideration of reports of the other auditors on separate financial statements of associates, as noted in the Other Matters section above, the said Order is not applicable to its associates.

- (2) 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 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 financial statements;
 - b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books, except for use of accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled as described in para (vi) below;
 - 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 financial statements;
 - d. In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2024 and 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, its and associate companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph (2)(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";

We do not report on the adequacy of the internal financial controls with reference to financial statements of its associate companies incorporated in India and the operating effectiveness of such controls in terms of section 143(3)(l) of the Act, since in our opinion and according to the information and explanations given to us, the said reporting is not applicable to the associate companies;



- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company, the remuneration paid/ provided to their directors during the year by the Holding Company is in accordance with the provisions of section 197 of the Act. In our opinion and to the best of our information and according to the explanations given to us, the subsidiary companies and associate companies incorporated in India, being private companies, section 197 of the Act related to the managerial remuneration is not applicable to them;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 35 to the consolidated financial statements;

(ii) The Group and its associates did not have any material foreseeable losses on long term contracts including derivative contracts;

(iii) There has been no delay in transferring amounts, 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.

(iv) (a) Based on our audit report on separate financial statements of the Holding Company and its subsidiary companies and associate companies, incorporated in India, and consideration of reports of the other auditors on separate financial statements of its subsidiary companies and associate companies, incorporated in India, whose financial statements have been audited under the Act, the management of the Holding Company and the respective management of the aforesaid subsidiaries and associates, have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts of the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group and its associates to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group and its associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Based on our audit report on separate financial statements of the Holding Company and its subsidiary companies and associate companies, incorporated in India, and consideration of reports of the other auditors on separate financial statements of its subsidiary companies, and associate companies, incorporated in India, whose financial statements have been audited under the Act, the management of the Holding Company and the respective management of the aforesaid subsidiaries and associates, have represented that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts of the consolidated financial statements, no funds have been received by the Group and its associates from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group and its associates shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, and consideration of reports of the other auditors on separate financial statements of the subsidiary companies and associate companies, incorporated in India, whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (v) As stated in Note 54 to the consolidated financial statements:

(a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in compliance with section 123 of the Act, as applicable.

(b) Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in compliance with section 123 of the Act, as applicable.

AND

Further, based on the audit reports of the subsidiary companies and associate companies, incorporated in India, those entities have not declared nor paid any dividend during the year.



- (vi) Based on our examination, which included test checks, and that performed by the respective auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the company, subsidiaries and associates have used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for the exception as mentioned below. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries and associates did not come across any instance of audit trail feature being tampered with except for the exception as mentioned below. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Relationship with Company	Nature of Exception noted	Details of Exception
Holding Company	Instances of accounting software where we were unable to comment on audit trail feature as well as audit trail being tampered with	Audit Trail feature was not enabled for accounting software for the period April 01, 2023 till April 23, 2023.
Subsidiary Companies	Instances of accounting software where we were unable to comment on audit trail feature as well as audit trail being tampered with	Audit Trail feature was not enabled for accounting software for the entire financial year from April 01, 2023 to March 31, 2024.
Associate Companies	Instances of accounting software where we were unable to comment on audit trail feature as well as audit trail being tampered with	Audit Trail feature was not enabled for accounting software for the entire financial year from April 01, 2023 to March 31, 2024.

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

Dhaval Pandya
Partner
Membership No.160500
UDIN: 24160500BKHJHG2319
Place: Mumbai
Date: May 25, 2024



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(g) 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 financial statements for the year ended March 31, 2024]

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 financial statements of Arrow Greentech Limited ("Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary 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 and its subsidiary 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 and its subsidiary 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 and its subsidiary 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 and its subsidiary 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, 2024, 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 Matter

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 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

Dhaval Pandya
Partner
Membership No. 160500
UDIN: 24160500BKHJHG2319
Place: Mumbai
Date: May 25, 2024



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Particulars	Notes	As at	
		March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,056	2,926
Right of Use assets	3A	59	86
Capital work-in-progress	3B	211	18
Other Intangible assets	3	196	243
Intangible assets under development	3	109	98
Investment Property	4	432	432
Financial assets			
(i) Investments	5	46	44
(ii) Other Financial Asset	6	1,342	66
Deferred Tax Assets (Net)	33C	727	457
Other non-current assets	8	13	99
Total Non-current assets		6,190	4,469
Current assets			
Inventories	9	2,225	1,498
Financial assets			
(i) Trade Receivables	10	3,221	2,628
(ii) Cash and cash equivalents	11	762	706
(iii) Bank balances other than (ii) above	12	1,427	2,184
(iv) Loans	13	8	1
(v) Other financial assets	14	31	23
Other current assets	15	671	634
Total current assets		8,345	7,674
TOTAL ASSETS		14,535	12,143
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	1,509	1,509
Other Equity	17	11,177	8,310
Equity attributable to owners		12,686	9,819
Non controlling interest	44	190	208
Total Equity		12,875	10,027
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	18	13	91
(ii) Lease Liabilities	3A	69	94
Income tax liabilities (Net)	7	142	225
Provisions	19	39	33
Total Non current Liabilities		263	443
Current liabilities			
Financial liabilities			
(i) Borrowings	18A	20	134
(ii) Trade payables	20		
- Total outstanding dues to Micro and Small Enterprises		11	3
- Total outstanding dues to others		486	1,013
(iii) Other financial liabilities	21	728	395
(iv) Lease Liabilities	3A	22	26
Provisions	22	38	30
Other current liabilities	23	93	73
Total current Liabilities		1,398	1,672
Total Liabilities		1,659	2,115
TOTAL EQUITY AND LIABILITIES		14,535	12,143
Material Accounting Policies	2		

The accompanying notes are an integral part of these financial statements (1-55)

As Per our report of even date

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Dhaval Pandya

Partner

Membership No. 160500

Place : Mumbai

Date : May 25, 2024

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

CIN : L21010MH1992PLC069281

Shilpan Patel

Managing Director

DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Joint Managing Director

DIN No - 00607101

Poonam Bansal

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Particulars	Notes	Year ended	
		March 31, 2024	March 31, 2023
INCOME			
Revenue from operations	24	14,851	10,877
Other Income	25	260	235
Total Income		15,111	11,112
EXPENSES			
Cost of raw materials consumed	26	5,439	5,107
Purchase of stock-in-trade		830	805
Change in inventory of finished goods, work-in-progress and stock in trade	27	(396)	(483)
Employee benefits expense	28	1,374	1,076
Finance Costs	29	44	115
Depreciation and amortisation expense	3-4	784	668
Other expenses	30	2,971	2,021
Total Expenses		11,045	9,309
Profit before tax		4,066	1,803
Income tax expense	33		
Current Tax		1,432	655
Adjustment of tax relating to earlier years (net)		(32)	(53)
Deferred Tax		(267)	(25)
Total tax expense		1,132	577
Profit after tax		2,933	1,226
Other comprehensive income :			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		74	50
(ii) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations gains / (loss)		11	12
- Income tax relating to the above items		(3)	(3)
		8	9
Other comprehensive income for the year, net of tax		67	42
Total comprehensive income for the year		3,000	1,268
Profit attributable to:			
Owners of equity		2,951	1,228
Non-controlling interest	44	(18)	(2)
		2,933	1,226
Total comprehensive income attributable to:			
Owners of equity		3,018	1,270
Non-controlling interest		(18)	(2)
		3,000	1,268
Earnings per equity share			
Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2023 : ₹ 10)]	34	19.56	8.52

The accompanying notes are an integral part of these financial statements (1-55)

As Per our report of even date

For Haribhakti & Co LLP

Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Dhaval Pandya

Partner
Membership No. 160500

Place : Mumbai

Date : May 25, 2024

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

CIN : L21010MH1992PLC069281

Shilpan Patel

Managing Director
DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Joint Managing Director
DIN No - 00607101

Poonam Bansal

Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Operating activities		
Profit before tax after exceptional items	4,066	1,803
<u>Adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation	784	668
Fair value gain on non-current investments	(1)	(0)
Exchange differences on translation of assets & liabilities	74	50
Unrealised Foreign Exchange gain	3	(7)
Provision For Doubtful Debts	(3)	(60)
Provision For Doubtful Advances	23	11
Sundry balances (written back)/ written off	-	29
Finance Cost	44	115
Interest Income	(160)	(36)
Dividend Income	(1)	(1)
Patent Development Expenses written off	-	64
	4,829	2,636
Working capital adjustments:		
Decrease/ (Increase) in Loans and Advances	(7)	-
Decrease/ (Increase) in non-current assets	13	(3)
Decrease / (Increase) in trade receivables	(585)	(2,206)
Decrease/ (Increase) in current assets	(37)	176
Decrease/ (Increase) in Inventories	(727)	(825)
Increase/ (Decrease) in provisions	3	(4)
Increase/ (Decrease) in trade payables	(519)	707
Increase/ (Decrease) in other financial Liabilities	334	115
Increase/ (Decrease) in other Liabilities	21	12
Increase/ (Decrease) in other Financial Assets	(7)	(8)
	3,317	598
Income tax (Paid) (net)	(1,479)	(300)
Net Cash Flow from operating activities	(A) 1,837	298
Investing activities		
Purchase of Property, plant and equipment including CWIP	(1,043)	(398)
Maturity of mutual fund investment, net	-	74
(Investments in)/maturity of Bank deposits	(472)	(1,127)
Dividend Received	1	1
Interest Received	160	36
Net cash flows used in investing activities	(B) (1,354)	(1,414)
Financing activities:		
Proceeds from Long term Borrowing	-	730
Repayment of Long term Borrowing	(192)	(848)
Finance cost Paid	(44)	(115)
Dividend paid, including dividend tax	(161)	(6)
Lease Liability paid	(31)	-
Proceeds from issue of shares	-	1,080
Net cash (used in) / generated from financing activities	(C) (428)	840
Net Increase / (Decrease) In Cash And Cash Equivalents	(A+B+C) 56	(275)
Effect of exchange difference on Cash and Cash Equivalents	-	-
Cash and Cash equivalents at the beginning of the year	706	981
Cash and Cash equivalents at the end of the year (Refer Note 11)	762	706



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Components of cash and cash equivalents		
Cash on hand	1	1
<u>Balances with Banks</u>		
In Current Accounts	758	697
Deposits with original maturity of less than 3 months	2	8
Cash and Cash equivalents at the end of the year	762	706

Particulars	Balance as at 01-Apr-23	Cash flows	Other adjustments	Balance as at 31-Mar-24
Non current borrowings (Refer Note 18)	91	(78)	-	13
Current borrowings (Including maturities of long term borrowings) (Refer Note 18A)	134	(114)	-	20
Total	225	(192)	-	33

Particulars	Balance as at 01-Apr-22	Cash flows	Other adjustments	Balance as at 31-Mar-23
Non current borrowings (Refer Note 18)	225	(134)	-	91
Current borrowings (Including maturities of long term borrowings) (Refer Note 18A)	118	16	-	134
Total	344	(119)	-	225

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 (1-55).

As Per our report of even date

For Haribhakti & Co LLP

Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Dhaval Pandya

Partner
Membership No. 160500

Place : Mumbai

Date : May 25, 2024

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

CIN : L21010MH1992PLC069281

Shilpan Patel

Managing Director
DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Joint Managing Director
DIN No - 00607101

Poonam Bansal

Company Secretary



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

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

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Balance at the beginning	1,50,87,938	1,509	1,40,87,938	1,409
Changes in equity share capital (Preferential issue) during the year	-	-	10,00,000	100
Balance at the end	1,50,87,938	1,509	1,50,87,938	1,509

b. Other Equity

	Attributable to owners							Total
	Reserves and Surplus			Other Reserves				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total other equity	Non Controlling interest	
Balance at March 31, 2022	902	82	2	4,896	178	6,060	210	6,271
Profit / (Loss) for the year	-	-	-	1,228	-	1,228	(2)	1,226
Premium on Issue -Equity Shares (Preferential) (Refer Note 16(d))	980	-	-	-	-	980	-	980
Other comprehensive income (net of tax)	-	-	-	(8)	50	42	-	42
Balance at March 31, 2023	1,882	82	2	6,116	228	8,311	208	8,519
Profit / (Loss) for the year	-	-	-	2,951	-	2,951	(18)	2,933
Other comprehensive income (net of tax)	-	-	-	(8)	74	66	-	66
Dividends	-	-	-	(151)	-	(151)	-	(151)
Balance at March 31, 2024	1,882	82	2	8,907	302	11,177	190	11,367

The accompanying notes are an integral part of these financial statements (1-55).

As Per our report of even date

For Haribhakti & Co LLP

Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Dhaval Pandya

Partner
Membership No. 160500

Place : Mumbai

Date : May 25, 2024

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

CIN : L21010MH1992PLC069281

Shilpan Patel

Managing Director
DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Joint Managing Director
DIN No - 00607101

Poonam Bansal

Company Secretary



Arrow Greentech Limited

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian Rupees in Lakhs 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 and NSE in India. The company is engaged in business of bio-degradable (green) products, high-tech products and having Patents income for such products/technology. The company caters to both domestic and international markets.

2. Material 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, its subsidiaries and associate companies ("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 May 25, 2024.

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 lakhs, 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 39)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 35)
- Estimation of Tax expenses and Liability (Refer note 7 and 33)
- 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 42)
- Revenue recognition (Refer Note 24)



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.

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 Other Comprehensive Income 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 unrealised 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.

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 Consolidated 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 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. 88 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 Software 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.

v) Derecognition

The carrying amount of an item of PPE/intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE/intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Consolidated Statement of Profit and Loss when the item is derecognized.



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 or 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.

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 Fair Value through Other Comprehensive Income. 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 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 labour 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.

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 group has adopted Ind AS 116 “Leases”, applied to all the lease contracts existing on April 1, 2019 using the modified retrospective method of transition. 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.

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, INDAS 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 and 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 Foreign Currency Translation Reserve ("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 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.

Minimum Alternate Tax ("MAT") credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is viewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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.

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 at transaction cost. 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 Other Comprehensive Income 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 ("FVOCI") 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 and loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit and loss ("FVTPL").



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 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 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 Other Comprehensive Income are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in Other Comprehensive Income 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.

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.

W Segment Reporting

The Group determines segments based on the internal organisation and management structure of the Group its system of internal financial reporting and the nature of its risks and its returns. The Board of Directors of the Group has been identified as Chief Operating Decision Maker (CODM). CODM evaluates the Group's performance, allocate resources based on analysis of various performance indicators of the Company for disclosing in the segment report. The accounting policies adopted for segment reporting are in line with the accounting policies of the Group.

Segment revenue includes income directly identifiable with the segments.

Expenses that are directly identifiable with the segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments and expenses which relate to the operating activities of the segment but are impracticable to allocate to the segment, are included under "Unallocable corporate expenses".

Income which relates to the Group as a whole and not allocable to segments are included in Unallocable Income and netted off from Unallocable corporate expenses.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

Recent Accounting Pronouncements

The Group has applied the following INDAS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from 1st April, 2023. The effect is described below:

Application of New Accounting Pronouncements

The Group has applied the following INDAS pronouncements pursuant to issuance of the Companies (Indian Accounting Standards) Amendment Rules, 2023 with effect from 1st April, 2023. The effect is described below:

- a. Ind AS 1 – Presentation of Financial Statements – The amendment requires disclosure of material accounting policies instead of significant accounting policies. In the Consolidated financial statements the disclosure of accounting policies has been accordingly modified. The impact of such modification to the accounting policies is insignificant.
- b. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors – The amendment has defined accounting estimate as well as laid down the treatment of accounting estimate to achieve the objective set out by accounting policy. There is no impact of the amendment on the Consolidated Financial Statements.
- c. Ind AS 12 – the definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Consolidated Financial Statements.



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

3 Tangible and intangible assets

	Gross carrying amount				Accumulated depreciation / amortisation			Net block	
	Carrying amount as at April 01, 2023	Additions during the year	Disposal during the year	Translation adjustments	As at 31st March, 2024	Up to April 01, 2023	Disposal during the year	Up to 31st March, 2024	As at 31st March, 2024
A Property, plant and equipment									
Leasehold Land	31	464	-	-	495	2	3	5	490
Building	1,174	26	-	39	1,239	259	70	332	907
Plant and Equipment	3,585	127	(7)	-	3,705	1,814	507	2,322	1,383
Furniture and Fixtures	118	36	-	-	154	57	28	85	69
Electrical Installation	150	1	-	-	151	57	25	82	69
Motor Car	94	73	-	-	167	59	11	70	96
Office Equipment	65	14	-	-	79	53	7	60	19
Computer	70	7	-	0	77	61	7	68	9
Office Building (Refer Note 1)	2	16	-	-	18	1	1	3	15
Total A	5,289	763	(7)	39	6,085	2,364	659	3,027	3,056
B Capital work-in-progress	18	377	(184)	-	211	-	-	-	211
Total B	18	377	(184)	-	211	-	-	-	211
C Intangible assets									
Patent rights	539	12	-	11	562	296	77	4	185
Software	-	11	-	-	11	-	0	-	11
Total C	539	24	-	11	574	296	77	4	196
D Intangible assets under development									
Patent rights	89	23	(13)	-	100	35	-	35	65
Product Development	44	-	-	-	44	-	-	-	44
Total D	132	23	(13)	-	144	35	-	35	109
Total (A+B+C+D)	5,978	1,187	(203)	50	7,013	2,695	737	3,440	3,572

"Note : (1) Building having gross value of ₹ 2 (P.Y. ₹ 2) is pending for registration in the name of the Holding Company. Management is of the opinion that the building will be transferred in the name of the Holding Company in due course.

Description of Property	Gross Carrying Value	Held in Name of	Whether Promoter, director or their relative or employee	Period held	Reason for not being held in the name of company
Office Building	2	Rishil Exports	Relative of Promoter	01-04-1994	in process

(2) Assets Disposal during the year include assets write off ₹ Nil (PY ₹ 0.2)

(3) Detail of property, plant and equipment hypothecated : Hypothecation of fixed assets acquired by availment of borrowing (Refer Note 18)



Notes to the Consolidated Financial Statements for the year ended March 31, 2024
(All amounts in Indian rupees in lakhs unless otherwise stated)

3 Tangible and intangible assets

	Carrying amount as at April 01, 2022				Gross carrying amount				Accumulated depreciation / amortisation				Net block	
	Additions during the year	Disposals during the year	Translation adjustments	As at March 31, 2023	Additions during the year	Disposals during the year	Translation adjustments	As at March 31, 2023	Up to April 01, 2021	Charge for the year	Disposal during the year	Translation adjustments	Up to March 31, 2023	As At March 31, 2023
A Property, plant and equipment														
Leasehold Land	31	-	-	31	-	-	-	31	2	0	-	-	2	29
Building	1,402	213	(468)	1,174	27	-	4	1,174	242	61	48	4	259	915
Plant and Equipment	2,445	1,140	(0)	3,585	-	-	-	3,585	1,391	423	-	-	1,814	1,771
Furniture and Fixtures	38	80	-	118	-	-	-	118	38	19	-	-	57	61
Electrical Installation	58	92	-	150	-	-	-	150	36	21	-	-	57	93
Motor Car	94	-	-	94	-	-	-	94	44	15	-	-	59	35
Office Equipment	56	9	-	65	-	-	-	65	42	11	-	-	53	12
Computer	62	8	-	70	0	-	-	70	50	11	-	-	61	9
Office Building	2	-	-	2	-	-	-	2	1	0	-	-	1	1
Total A	4,187	1,542	(469)	5,289	27	-	4	5,289	1,844	562	48	4	2,364	2,926
B Capital work-in-progress	1,240	154	(1,376)	18	-	-	-	18	-	-	-	-	-	18
Total B	1,240	154	(1,376)	18	-	-	-	18	-	-	-	-	-	18
C Intangible assets														
Patent rights	522	10	-	539	7	-	4	539	185	78	29	4	296	243
Total C	522	10	-	539	7	-	4	539	185	78	29	4	296	243
D Intangible assets under development														
Patent rights	56	33	-	89	-	-	-	89	-	-	35	-	35	54
Product Development	47	1	(4)	44	(0)	-	-	44	-	-	-	-	-	44
Total D	102	34	(4)	132	(0)	-	-	132	-	-	35	-	35	98
Total (A+B+C+D)	6,051	1,740	(1,849)	5,978	34	-	8	5,978	2,029	640	112	8	2,695	3,285

Note : (1) Building having gross value of ₹ 2 (P.Y. ₹ 2) is pending for registration in the name of the Holding Company. Management is of the opinion that the building will be transferred in the name of the Holding Company in due course.

Description of Property	Gross Carrying Value	Held in Name of	Whether Promoter, director or their relative or employee	Period held	Reason for not being held in the name of company
Office Building	2	Rishil Exports	Relative of Promoter	01-04-1994	in process

(2) Assets Disposal during the year include asset write off ₹ 0.2 lakhs (PY ₹ Nil)

(3) Detail of property, plant and equipment hypothecated : Hypothecation of fixed assets acquired by availment of borrowing (Refer Note 18)



Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

3A Right to use

(i) Amounts to be recognised in balance sheet as on March 31, 2024

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2024	March 31, 2023
Lease hold land/building	59	86
Total	59	86

All lease agreements are duly executed in favour of the Group

Lease liabilities	March 31, 2024	March 31, 2023
Current	22	26
Non - Current	69	94
Total	91	120

(ii) Amounts to be recognised in Consolidated 'Statement of Profit and Loss for the year ended March 31, 2024

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

Depreciation	March 31, 2024	March 31, 2023
Lease hold land/building	46	28
Total	46	28

Interest expenses on lease liabilities (included in finance cost) ₹ 13 (March 31, 2023 : ₹ 17)

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

Particulars	March 31, 2024	March 31, 2023
Operating cash flows : Interest expenses	13	17
Lease Liabilities paid	42	52
Total	55	69


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

3B Capital WIP Ageing Schedule

As at March 31, 2024	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Tangible Assets					
Project in Progress	208	3	1	-	211
Projects temporarily suspended	-	-	-	-	-
	208	3	1	-	211
Intangible Assets					
Project in Progress	18	33	10	47	109
Projects temporarily suspended	-	-	-	-	-
	18	33	10	47	109
<hr/>					
As at March 31, 2023	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Tangible Assets					
Project in Progress	3	15	-	-	18
Projects temporarily suspended	-	-	-	-	-
	3	15	-	-	18
Intangible Assets					
Project in Progress	33	15	1	49	98
Projects temporarily suspended	-	-	-	-	-
	33	15	1	49	98

Note

The projects in progress for more than 3 years, will be capitalised by Dec 2024. capitalisation of intangible assets depends upon grant of respective patents.



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

4 Investment Property

	Gross carrying amount			Accumulated depreciation / amortisation			As At March 31, 2024		
	Carrying amount as at April 01, 2023	Additions during the year	Disposal during the year	Translation adjustments	Up to April 01, 2023	Disposal during the year		Translation adjustments	
Guest House	17	-	-	-	5	1	-	5	11
Free Hold Property	468	-	-	17	48	-	-	17	421
Total	485	-	-	17	52	1	-	17	432

	Gross carrying amount			Accumulated depreciation / amortisation			As at March 31, 2024		
	Carrying amount as at April 01, 2022	Additions during the year	Disposal during the year	Translation adjustments	Up to April 01, 2023	Disposal during the year		Translation adjustments	
Guest House	17	-	-	-	4	1	-	5	12
Free Hold Property	458	-	-	10	52	-	-	(5)	420
Total	475	-	-	10	56	1	-	(5)	432

(I) Amount recognised in Statement of Profit and Loss for investment property (Guest House)

	As at March 31, 2024	As at March 31, 2023
Depreciation	1	1
Profit / (loss) from investment property	(1)	(1)
(ii) Fair value		
Investment property #	26	26

Estimation of Fair value (Guest House)

Holding Company has carried out the fair valuation of property (Guest House) involving external independent valuation expert. As per the fair valuation report dated 2nd May 2022 the fair value of investment property (Guest House) as on March 31, 2022 was ₹ 25.62 lakhs. 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, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

5 Investments

	As at			
	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
<u>Investment in Equity instruments of Associates (Unquoted)</u> (Fully paid up) (Trade)				
Investment in SP Arrow Bio-Polymer Products Private Limited of face value ₹ 10 each March 31, 2024 46% holding (March 31, 2023 46% holding)	4,600	-	4,600	-
Investment in Sphere Bio-Polymers Private Limited of face value ₹ 10 each March 31, 2024 49% holding (March 31, 2023 49% holding)	4,900	-	4,900	-
Investments <u>in Equity Instruments (Unquoted), (Fully Paid), Non-Trade, at Fair value through Profit or Loss</u>				
Shamrao Vithal Co- operative Bank Equity Shares of ₹ 25/- each	300	0	300	0
Equity Shares of ₹ 10/- each	100		100	
Investment in Shares - Aquasam Limited, UK Equity Shares of GBP 1 each	250	16	250	15
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		30		29
		46		44
Aggregate amount of quoted investments and market value thereof		30		29
Aggregate amount of unquoted investments		16		15
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, 2024		March 31, 2023	
	Units	Amount	Units	Amount
ICICI Prudential Savings Fund - Daily Dividend	1,951	3	1,951	2
HDFC Liquid Fund- Regular Plan - Growth	134	6	134	6
ICICI Prudential Equity Arbitrage Fund-Dividend	1,45,397	21	1,45,397	21
		30		29


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
6 Other financial asset		
Fixed deposits with Bank (maturity more than 12 months) *	1,238	9
Security Deposit (Unsecured, considered good)	108	59
Less: Allowance for Expected credit loss on deposits	(5)	(2)
	1,342	66
*Held as lien by bank against bank guarantee/Security Deposit of March 31, 2024 ₹ 999 ; March 31, 2023 ₹ 9. The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and considered to be good.		
7 Income tax Liabilities (Net)		
Provision for Income Tax		
(Net of advance tax for March 31, 2024 ₹ 2,677, for March 31, 2023 ₹ 1,192)	142	225
	142	225
8 Other non - current assets		
<u>Unsecured, considered good</u>		
Capital advances		
- Considered Good	11	28
-Considered Doubtful	3	3
Less: Allowance for Expected credit loss on advances	(3)	(3)
	11	28
Insurance Claim Receivable (Refer Note 49)	-	71
Prepaid expenses	2	-
	13	99
9 Inventories		
<u>Raw materials and components:</u>		
Polyvinyl Alcohol	269	224
Coatings & additives	375	424
Substrates	198	86
Others	35	23
Raw Material in Transit	133	-
Total	1,010	757
<u>Work in progress:</u>		
Water Soluble Films	64	26
Anti Counterfeit products	743	309
Others	14	-
<u>Finished goods:</u>		
Water Soluble Films	67	111
Anti Counterfeit Products	211	256
<u>Stock in trade</u>		
Bioplast	0	0
Other (Including PVA)	0	-
Stores and spares	116	38
	2,225	1,498

Stock in Trade Bioplast in Absolute Figures for March 31, 2024 ₹ 9,045 and in Others ₹ 4,308 (March 31, 2023 - ₹ 18,626 and ₹ Nil)


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
10 Trade Receivables		
<u>Unsecured</u>		
Dues from trade receivables considered good	3,221	2,628
Dues from trade receivables considered doubtful	77	79
Less: Allowance for doubtful debts	(77)	(79)
	3,221	2,628

Note: Trade receivable are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts.

No trade receivables are due from directors or other officers of the Group or any of them either severally or jointly with any other person. Nor any trade or other receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.

Trade Receivable Ageing

As at March 31, 2024	Not due	Less than 6 Months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(I) Undisputed Trade Receivable - Considered Good	1,468	1,244	387	122	-	-	3,221
(ii) Undisputed Trade Receivable - Considered Doubtful	-	8	6	5	-	58	77
(iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Doubtful	-	-	-	-	-	-	-
Total (A)	1,468	1,252	393	127	-	58	3,298
Allowance for Expected Credit loss	-	8	6	5	-	58	77
Total (B)	-	8	6	5	-	58	77
TOTAL (A-B)	1,468	1,244	387	122	-	0	3,221
	0%	1%	2%	4%	0%	100%	

As at March 31, 2023	Not due	Less than 6 Months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(I) Undisputed Trade Receivable - Considered Good	185	1,842	600	1	-	-	2,628
(ii) Undisputed Trade Receivable - Considered Doubtful	-	9	6	4	-	37	56
(iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Doubtful	-	-	-	-	-	23	23
Total (A)	185	1,851	606	5	-	60	2,707
Allowance for Expected Credit loss	-	9	6	4	-	60	79
Total (B)	-	9	6	4	-	60	79
TOTAL (A-B)	185	1,842	600	1	-	-	2,628
Percentage of expected credit loss followed for each bracket	0%	0%	1%	80%	0%	100%	


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
11 Cash and cash equivalents		
<u>Balance with bank:**</u>		
On current accounts	758	697
Deposits with original maturity of less than 3 months	2	8
Cash on hand	1	1
	762	706
** The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.		
12 Bank balances other than cash and cash equivalents		
Unclaimed Dividend Account	21	32
Employer Gratuity Account	-	2
Deposits with maturity of more than 3 months but less than 12 months***	1,406	2,150
	1,427	2,184
***Held as lien by bank against bank guarantee of March 31, 2024 ₹ 73, (March 31, 2023 ₹ 312). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and considered to be good.		
13 Loans		
<u>Unsecured, considered good</u>		
Loan to Employees (Repayable on demand)	8	1
Less: Allowance for expected credit loss on loans to employees	(0)	(0)
	8	1
14 Other financial assets		
<u>Unsecured, considered good</u>		
Interest accrued on deposits with bank	23	7
Export benefit receivable	8	16
	31	23
15 Other current assets		
<u>Unsecured, considered good unless stated otherwise</u>		
Advance to suppliers	152	364
Prepaid expenses	56	21
Advance to employees	4	5
Balance with Government authorities	461	244
	671	634

No advances are due from directors or other officers of the Group or any of them either severally or jointly with any other person.


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

16 Share capital
a) Equity share capital

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
<u>Authorised share capital</u> Equity shares of ₹ 10 each	1,75,00,000	1,750	1,75,00,000	1,750
<u>Issued, Subscribed and Paid Up :</u> Equity shares of ₹ 10 each fully paid	1,50,87,938	1,509	1,40,87,938	1,409
Equity shares of ₹ 10 each fully paid, Preferential Issue (Refer Note 16(d))	-	-	10,00,000	100
	1,50,87,938	1,509	1,50,87,938	1,509

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

	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,50,87,938	1,509	1,40,87,938	1,409
Equity shares of ₹ 10 each fully paid, Preferential issue (Refer Note 16(d))	-	-	10,00,000	100
Outstanding at the end of the year	1,50,87,938	1,509	1,50,87,938	1,509

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.

- d) Pursuant to resolution passed at the meeting of the Board of Directors on the Holding Company held on October 17, 2022, the Holding Company had issued and allotted, on preferential basis 10,00,000 equity shares of face value of ₹ 10/- each at a price of ₹ 108/- (including securities premium of ₹ 98/- per equity share) to promoter and non-promoter group. The object of this preferential issue is to utilize the proceeds to meet working capital requirement and expansion of business, general corporate purpose and such other purpose as the Board may decide from time to time. Funds raised are utilised as per below details.

Particulars	Amount as on March 31, 2024
Total Fund raised from issue of Preferential Equity Shares	1,080
Less: Utilised for Working Capital	480
Less : Purchase of Industrial Land at GIDC Dahej	464
Balance Fund- Invested in Fixed Deposits	136


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

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

Name of shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Business Advisory Private Limited	9,96,014	6.60%	9,96,014	6.60%
Jigisha S. Patel	18,22,205	12.08%	18,22,205	12.08%
Shilpan P. Patel	54,06,346	35.83%	54,06,346	35.83%
Shilpan Patel (HUF)	10,29,180	6.82%	10,29,180	6.82%
	92,53,745	61.33%	92,53,745	61.33%

As per the records of the Group, including its register of members.

f) Details of shares held by promoters

Name of Promoters	Number of shares	% of Holding	% change during the year
Arrow Business Advisory Private Limited	9,96,014	6.60%	-
Jigisha S. Patel	18,22,205	12.08%	-
Shilpan P. Patel	54,06,346	35.83%	-
Shilpan Patel (HUF)	10,29,180	6.82%	-
Neil Patel	5,39,810	3.58%	-
Rishil Patel	5,47,000	3.63%	-
Manisha Sindhi	10,000	0.07%	-
	1,03,50,555	68.60%	-

		As at	
		March 31, 2024	March 31, 2023
17 Other Equity			
General Reserve	17 (i)	2	2
Capital reserve	17 (ii)	82	82
Securities premium reserve	17 (iii)	1,882	1,882
Retained earnings	17 (iv)	8,907	6,116
Foreign currency translation reserve	17 (v)	302	228
		11,177	8,310
Reserves and surplus			
17 (i) General reserve			
Balance at the beginning of the year		2	2
Movement during the year		-	-
Balance at the end of the year		2	2
17 (ii) Capital reserve			
Balance at the beginning of the year		82	82
Movement during the year		-	-
Balance at the end of the year		82	82


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
17 (iii) Securities premium reserve		
Balance at the beginning of the year	1,882	902
Movement during the year	-	980
Balance at the end of the year	1,882	1,882
17 (iv) Retained earnings		
Opening Balance at the beginning of the year	6,116	4,896
Add : Profit for the year	2,951	1,228
Less : Dividend paid by holding company	(151)	-
Items that will not be reclassified to profit or loss :		
- Remeasurement of defined benefit obligation	(11)	(12)
- Income tax relating to above item	3	3
Balance as at the year end	8,907	6,116
17 (v) Other Comprehensive Income		
Foreign Currency Translation Reserve		
Opening balance	228	178
Add: for the year	74	50
Balance as at the year end	302	228
	11,177	8,310

The Company declares and pays dividends in Indian Rupees. Payment of dividend is also made in foreign currency to shareholders outside India. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

	As at	
	March 31, 2024	March 31, 2023
Dividend paid during the year		
Final dividend for the FY 2022-23 [₹ 1/- (Previous year - FY2021-22 - ₹ NIL) per equity share of face value of ₹ 10 each]	151	NIL

Proposed dividend for F.Y. 2023-24 is ₹ 2/- per equity share of face value of ₹ 10 each amounting to ₹ 302 lakhs (Previous year - ₹ 1 per equity share of face value of ₹ 10 each), subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability. If approved, the total dividend (interim and final dividend) for the financial year 2023-24 will be ₹ 2 (Rupees two only) per equity share of the face value of ₹ 10 each (₹ 1 per equity share of the face value of ₹ 10 each was paid as total dividend for the previous year).

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 Group and are available for distribution to shareholders


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	As at	
	March 31, 2024	March 31, 2023
18 Non current Borrowings		
<u>Loan from Others (Secured)</u>		
Term Loan (Secured)	-	192
Vehicle loan (Secured)	23	33
Less: Current Maturities of long term borrowings (Refer note 18A)	(10)	(134)
	13	91
Loan from Non banking Financial Company Siemens Financial Services Pvt Ltd has been paid off in March 24, (Final payment ₹ 69.42). The loan was secured by Hypothecation of fixed assets acquired and charge is satisfied basis the final repayment.		
Vehicle loan of ₹ 23 (March 31, 2023 : ₹ 42) carries interest @ 6.74% p.a. The loans are repayable in 60 monthly instalments along with interest starting from May 2021. The loan is secured by hypothecation of fixed assets acquired. This loan was utilised for purchase of motor vehicle.		
18A Current Borrowings		
Current Maturities of long term borrowings	10	134
Vehicle Loan (Secured)	10	-
	20	134
Vehicle loan of ₹ 10 (March 31, 2023 : ₹ Nil) carries interest @ 8.36% p.a. The loans are repayable in 12 monthly instalments along with interest starting from May 2024. The loan is secured by hypothecation of fixed assets acquired. This loan was utilised for purchase of motor vehicle.		
19 Provisions		
Provision for employee benefits		
Leave encashment (unfunded) (Refer Note 39)	39	33
	39	33
20 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	11	3
Total outstanding dues to others	486	1,013
	497	1,016

Trade Payable Ageing (including capital payables)

As at March 31, 2024	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(I) MSME					
- Disputed	2	-	-	2	4
- Undisputed	7	-	-	-	7
(ii) Others					
- Disputed	-	-	-	-	-
- Undisputed	574	12	11	104	701
Total	583	12	11	106	712


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

As at March 31, 2023	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME					
- Disputed	-	-	-	2	2
- Undisputed	1	-	-	-	1
(ii) Others					
- Disputed	-	-	-	-	-
- Undisputed	993	24	3	103	1,124
Total	995	24	3	105	1,127

	As at	
	March 31, 2024	March 31, 2023
21 Other financial liabilities		
Interest Accrued but not due	0	1
Unclaimed Dividend ^	21	32
Employee Benefits Payable	117	95
Outstanding liability for expenses	374	156
Trade payable for capital goods (other than small and medium enterprises) (Refer Note 20)	215	111
	728	395
^There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
22 Provisions		
Provision for employee benefits		
- Gratuity (funded) (Refer Note 39)	34	27
- Leave encashment (unfunded) (Refer Note 39)	4	3
	38	30
23 Other current liabilities		
Statutory Dues Payable	56	48
Advances from customer	37	25
	93	73


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
24 Revenue from operations		
<u>Sale of products (net of sales return)</u>		
Finished goods	13,015	9,216
Traded goods	1,383	1,458
<u>Services rendered</u>		
Consulting Income	369	195
Product Development Fees	68	-
<u>Other Operating Revenue</u>		
Sale of scrap	18	8
Revenue from Operations	14,851	10,877
Detail of Sale of Products / Services		
<u>Finished goods sold</u>		
Water Soluble Films	2,462	2,306
Anti Counterfeit Products	10,492	6,876
Others	61	34
	13,015	9,216
<u>Traded goods sold</u>		
Cleaning Products	18	28
Biodegradable Resins	65	1,044
Other Business	1,283	351
Water Soluble films	17	35
	1,383	1,458
Detail -Geography wise Operations		
Export Sales	1,145	991
Local sales	13,706	9,886
	14,851	10,877


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
25 Other Income		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	-	1
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	154	33
On Others	6	3
Foreign Exchange Gain (net)	6	32
Miscellaneous Income	37	30
Provision for doubtful debts and advances Written Back	2	85
Rent Income	55	51
	260	235
26 Cost of raw materials consumed		
Inventory at the beginning of the year	757	395
Add: Purchases	5,691	5,469
Less: Inventory at the end of the year	877	757
Less: Raw material in Transit	133	-
	5,439	5,107
27 Change in inventory of finished goods, work-in-progress and stock in trade		
<u>Inventories at the end of the year</u>		
Stock In Trade	-	0
Work-in-progress	820	335
Finished goods	278	367
<u>Inventories at the beginning of the year</u>		
Stock In Trade	0	1
Work-in-progress	335	140
Finished goods	367	78
	(396)	(483)
28 Employee benefits expense		
Salary, Wages and Bonus	1,279	1,012
Contribution to Provident and other funds (Refer Note 39)	34	28
Gratuity and Leave Encashment (Refer Note 39)	26	10
Staff welfare expenses	34	24
	1,374	1,076
29 Finance Cost		
Interest on Secured Loan	18	58
Processing and Other Charges	11	23
Interest on Lease (Refer Note 3A)	13	17
Others	3	18
	44	115


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
30 Other expenses		
Consumption of stores and spares	141	130
Repair and Maintenance - Building	41	16
Repair and Maintenance - Machinery	9	16
Repair and Maintenance - Other	32	27
Rent (Refer Note 36)	24	11
Insurance	48	29
Power and Fuel	547	545
Labour Charges	57	40
Factory Expenses	82	108
Selling and Promotion Expenses	15	3
Freight and Forwarding	98	122
Trial Production Expenses	-	33
Postage and Telephone Expenses	12	16
Travelling and Conveyance	226	152
Patent Development Expenses W/off	-	64
Legal and Professional Charges	1,002	326
Sitting Fees	11	10
Patent Charges	36	33
Donations	11	11
Bad debts	28	-
Provision For Advances	3	29
Loss by Fire (Refer Note 49)	-	35
Payment to Auditors (Exclusive of Goods and Services tax) (Refer Note 31)	36	34
Corporate Social Responsibility Expense - Holding Company (Refer Note 32)	40	33
Bank Charges	17	16
Commission on Sales	261	71
Other Misc Expenses	195	113
	2,971	2,021
31 Payment to Auditors (Exclusive of Goods and Services tax)		
<u>As auditor</u>		
Auditors Remuneration	29	27
Tax audit fees	2	2
Limited review fees	5	5
<u>Other Capacity</u>		
Other services (Certification fees)	1	1
	36	34


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
32 Corporate Social Responsibility Expense - Holding Company		
1. Amount required to be spent by the Holding Company during the year (including shortfall for earlier years)	18	NIL
2. Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	40	33
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall*	-	-
5. Reason for shortfall	N.A.	N.A.
6. Nature of CSR activities	Donation given to charitable trusts	Donation given to charitable trusts
7. Details of related party transactions in relation to CSR expenditure:	-	-
	40	33
33 Income taxes		
a. Income tax expense is as follows:		
Statement of Profit and Loss		
Current tax:		
Tax for the year	1,432	655
Adjustments for current tax of prior years	(32)	(53)
Total current tax expense	1,400	602
Deferred tax:		
Deferred tax expenses	(267)	(25)
Total deferred tax expense	(267)	(25)
Income tax expense	1,132	577
Other comprehensive income		
Deferred tax related to OCI items:		
Net loss / (gain) on remeasurements of defined benefit plans	(3)	(3)
	(3)	(3)



Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs 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:

	For the year ended			
	March 31, 2024		March 31, 2023	
Profit before tax		4,066		1,803
Tax at the Indian tax rate	25.17%	1,023	29.12%	525
Tax effect of:				
Non-deductible expenses	0.42%	17	-0.41%	(7)
Tax adjustment of earlier years	-0.80%	(32)	-10.09%	(53)
Non recognition of Deferred Tax Assets on Losses in view of Prudence	3.01%	123	5.55%	100
Others	0.05%	2	0.45%	12
	27.85%	1,132	32.00%	577

c. Deferred Tax Assets (net)

(i) Movement in deferred tax assets for the year ended March 31, 2024

	Net balance March 31, 2023	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2024
Deferred tax on:				
Property, plant and equipment	340	278	-	619
Fair valuation of investments in mutual fund	9	-	-	9
Provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(26)	(6)	(3)	(29)
Brought Forward Losses	118	-	-	118
Others	16	(5)	-	11
	457	267	(3)	727

(ii) Movement in deferred tax liabilities for the year ended March 31, 2023

	Net balance March 31, 2022	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2023
Deferred tax on:				
Property, plant and equipment	256	84	-	340
Fair valuation of investments in mutual fund	6	3	-	9
Provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	28	(58)	(4)	(26)
Brought Forward Losses	117	1	-	118
Others	(42)	58	-	16
MAT Credit	63	(63)	-	-
	429	25	(4)	457


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

	For the year ended	
	March 31, 2024	March 31, 2023
34 Earnings Per Share		
Calculation of basic and diluted Earnings per share is as follows:		
Profit for the year attributable to Owners of the Group	2,951	1,228
Weighted average number of equity shares		
- Basic	1,50,87,938	1,44,20,343
- Diluted	1,50,87,938	1,44,20,343
Earnings per share (in ₹)		
- Basic	19.56	8.52
- Diluted	19.56	8.52

	As at	
	March 31, 2024	March 31, 2023
35 Contingent liabilities and Commitments		
Contingent Liabilities		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 0 (Previous year: ₹ 2.50))	-	74
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 57.32 (March 31, 2023: ₹ 57.32))	552	552
(c) Bank Guarantees and LC given	1,930	1,165
	2,482	1,792

	As at	
	March 31, 2024	March 31, 2023
36 Leases		
Lease rent expenses for the year	24	11

37 Segment Reporting
Basis of Segmentation:
Factors used to identify the reportable segments:

The Group has followed business segments, which are its reportable segments. The segments offer different products and services, and are managed separately because they require different technology and production processes.

Reportable Segment	Operation
Green Products	Water Soluble Film, Bio-compostable Products & Other Green Products
Hightech Products	Anti-Counterfeit Products, IPRs and other Hightech Products

Operating segment disclosures are consistent with the information provided to and reviewed by the Chief operating decision maker. The measurement principles of segment are consistent with those used in Material Accounting Policies.


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

S. Particulars No.	For the year ended	
	March 31, 2024	March 31, 2023
Annexure A: Segmental Reporting		
I Segment Revenue		
Green Products	2,579	3,421
Hightech Products	12,272	7,456
Total Segment Revenue	14,851	10,877
II Segment Result		
Green Products	617	187
Hightech Products	4,297	2,375
Total Segment Result	4,914	2,562
Unallocated corporate income net of unallocated expenses	(804)	(643)
Profit before interest and taxation	4,110	1,918
Interest expenses	44	115
Profit before exceptional items	4,066	1,803
Share in Profit/(Loss) in associates	-	-
Profit before exceptional items and tax	4,066	1,803
Exceptional items	-	-
Profit before tax	4,066	1,803
Current Tax	1,432	655
Adjustment of tax relating to earlier periods (net)	(32)	(53)
Deferred Tax	(267)	(25)
Profit after tax	2,933	1,226
Other Comprehensive Income	67	42
Net Comprehensive Income	3,000	1,268
III Segment Assets		
Green Products	1,755	1,271
Hightech Products	6,641	5,967
Total Segment Assets	8,396	7,238
Unallocated Corporate Assets	6,139	4,905
Total Assets	14,535	12,143
IV Segment Liabilities		
Green Products	195	418
Hightech Products	966	893
Total Segment Liabilities	1,161	1,311
Unallocated Corporate Liabilities	499	804
Total Liabilities	1,659	2,116
V Capital Employed		
Green Products	1,560	853
Hightech Products	5,675	5,074
Unallocated	5,641	4,101

Note: Green Products include Water Soluble Films, Bio-Compostable Products and other Green Products and Hightech Products include Anti-Counterfeit Products, IPRs and other Hightech Products.



Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

38 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, 2024	March 31, 2023
The amount remaining unpaid to micro and small suppliers as at the end of the year :		
- Principal	9	1
- Interest	2	2
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	2	2
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

39 Employee benefit obligations of Group

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, 2024	March 31, 2023
Employer's Contribution to Provident Fund	32	26
Employer's Contribution to Employees State Insurance Corporation	2	2

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


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Reconciliation of the net defined benefit obligation:

	Year ended	
	March 31, 2024	March 31, 2023
Opening defined benefit obligation	105	81
Benefits paid	(3)	(0)
Benefit Paid Directly by the Employer	-	-
Current service cost	9	6
Interest cost	8	6
Actuarial losses / (gain) recognized in other comprehensive income		
changes in demographic assumptions	-	-
changes in financial assumptions	10	9
experience adjustments	(0)	3
Closing defined benefit obligation	128	105

Reconciliation of the fair value of plan assets:

	Year ended	
	March 31, 2024	March 31, 2023
Opening fair value of plan assets	79	64
Interest Income	6	5
Employer contributions	14	10
Benefits paid	(3)	(0)
Actuarial gains on Plan Assets	(1)	1
Closing fair value of plan assets	95	79

Balance sheet reconciliation

	As at	
	March 31, 2024	March 31, 2023
Opening defined benefit obligation	105	81
Opening fair value of plan assets	(78)	(64)
Expenses recognised in profit and loss	11	8
Expenses recognised in Other Comprehensive Income	11	12
Benefit Paid Directly by the Employer	-	-
Employer contributions	(14)	(10)
Net (Asset) / Liability recognised in the Balance Sheet	34	27


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Expenses recognised in profit and loss:

	Year ended	
	March 31, 2024	March 31, 2023
Current service cost	9	6
Interest cost	2	2
	11	8

Remeasurements recognised in other comprehensive income

	Year ended	
	March 31, 2024	March 31, 2023
Actuarial (gain) loss on defined benefit obligation	10	13
Return on plan assets excluding interest income	1	(1)
	11	12

Analysis of plan assets

	As at	
	March 31, 2024	March 31, 2023
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	100%	100%

Maturity profile of defined benefit obligation

	As at	
	March 31, 2024	March 31, 2023
1 Year	26	26
2 to 5 years	21	18
6 to 10 years	57	50
More than 10 years	182	137

Actuarial assumption

Principal actuarial assumption used to determine net periodic benefit cost and benefit obligation at the reporting dates;

	As at	
	March 31, 2024	March 31, 2023
Discount Rate (p.a.)	7.22%	7.50%
Salary escalation rate (p.a.)	8.00%	7.00%
Expected rate of return on assets	7.22%	7.50%
Employee turnover	Service < 5 - 10% Service >=5 - 3% Indian Assured	Service < 5 - 10% Service >=5 - 3% Indian Assured
Mortality rate during employment	Lives Mortality (2012-14)	Lives Mortality (2012-14)
Mortality rate after employment	NA	NA



Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs 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, 2024	March 31, 2023
Projected Benefit Obligation on Current Assumptions	128	105
Discount Rate: 1% increase	(10)	(7)
Discount Rate: 1% decrease	12	9
Future salary growth: 1% increase	9	6
Future salary growth: 1% decrease	(8)	(6)
Change in Rate of Employee Turnover : 1% Increase	0	1
Change in Rate of Employee Turnover : 1% Decrease	(0)	(1)

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, 2024	March 31, 2023
Compensated absences liability	43	36

Actuarial assumption

	As at	
	March 31, 2024	March 31, 2023
Discount rate	7.22%	7.50%
Long-term rate of compensation increase	8.00%	7.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 15 (PY ₹ 2)


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

40 Related party disclosures
a) Related parties and their relations

Name of Related Party	Relationship
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
Aquavista Limited Arrow Business Advisory Pvt. Ltd.(formerly known as Arrow Convertor Pvt. Ltd) Aquasam Limited Advance Business Solutions	Enterprises over which Key Management Personnel are able to exercise significant influence


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

b) Transaction with Related Parties & Outstanding Balance as on March 31, 2024 and March 31, 2023:

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
<u>Mr. Shilpan P. Patel</u>				
Rent Expenses	2	13	(4)	(2)
<u>Arrow Business Advisory Pvt. Ltd.</u> <u>(formerly known as Arrow Convertor Pvt. Ltd)</u>				
Rent Expenses	16	5	-	-
<u>Advance Business Solutions</u>				
Purchase of Raw Material	3,184	3,087	-	(65)
<u>Aquavista Limited</u>				
Investment in Shares (Non Quoted) of Aquasam Ltd	-	-	16	15
<u>Remuneration to Key Managerial Personnel & Relatives</u>				
Mr. Shilpan P. Patel - Managing Director	101	81	-	-
Mr. Neil Patel - Joint Managing Director	101	81	-	-
Mr. Hitesh Punglia - Chief Financial Officer	80	79	-	-
Mrs. Poonam Bansal - Company Secretary	15	13	-	-
<u>Director Sitting Fees</u>				
Mr. Dinesh Modi	3	3	-	-
Mr. Haresh Mehta	3	2	-	-
Mr. Harish Mishra	3	2	-	-
Mrs. Jigisha Patel	2	1	-	-
Mr. Prashant Sushilchandra Mehta	0	-	-	-
Mr Dinkarray Trivedi(Resigned w.e.f. 13th April 2023)	-	2	-	-



Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

41 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.

A As at March 31, 2024	Carrying value			Fair value			
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Investments	0	46	-	46	30	16	-
Other financial asset	1,342	-	-	1,342	-	-	-
	1,342	46	-	1,388	30	16	-
Current Financial assets							
Trade Receivables	3,221	-	-	3,221	-	-	-
Cash and cash equivalents	762	-	-	762	-	-	-
Bank balances other than Cash and cash equivalents	1,427	-	-	1,427	-	-	-
Loans	8	-	-	8	-	-	-
Other financial assets	31	-	-	31	-	-	-
	5,449	-	-	5,449	-	-	-
Total	6,791	46	-	6,837	30	16	-
Non Current Financial liabilities							
Borrowings	13	-	-	13	-	-	-
Lease Liabilities	69	-	-	69	-	-	-
	82	-	-	82	-	-	-
Current Financial liabilities							
Borrowings	20	-	-	20	-	-	-
Trade payables	497	-	-	497	-	-	-
Other financial liabilities	728	-	-	728	-	-	-
Lease Liabilities	22	-	-	22	-	-	-
	1,266	-	-	1,266	-	-	-
Total	1,348	-	-	1,348	-	-	-


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

B As at March 31, 2023	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Investments	0	44	-	44	29	15	-
Other financial asset	66	-	-	66	-	-	-
	66	44	-	110	29	15	-
Current Financial assets							
Trade Receivables	2,628	-	-	2,628	-	-	-
Cash and cash equivalents	706	-	-	706	-	-	-
Bank balances other than							
Cash and cash equivalents	2,184	-	-	2,184	-	-	-
Loans	1	-	-	1	-	-	-
Other financial assets	23	-	-	23	-	-	-
	5,542	-	-	5,542	-	-	-
Total	5,608	44	-	5,652	29	15	-
Non Current Financial liabilities							
Borrowings	91	-	-	91	-	-	-
Lease Liabilities	94	-	-	94	-	-	-
Total	185	-	-	185	-	-	-
Current Financial liabilities							
Borrowings	134	-	-	134	-	-	-
Trade payables	1,016	-	-	1,016	-	-	-
Other financial liabilities	395	-	-	395	-	-	-
Lease Liabilities	26	-	-	26	-	-	-
Total	1,571	-	-	1,571	-	-	-
	1,756	-	-	1,756	-	-	-

During the reporting year ended March 31, 2024 and March 31, 2023, there was no transfer between level 2 and level 3 fair value measurements.

42 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.



Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

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, 2024	March 31, 2023
Less than 180 days	2,720	2,036
From 181 - 365 days	393	606
More than 365 days	185	65
Total	3,298	2,707
Less : Impairment allowance	77	79
Total	3,221	2,628

Expected credit loss assessment for customers as at March 31, 2024 and March 31, 2023

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.



Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows

	Amount
Balance as at April 1, 2022	139
Impairment loss recognised	(60)
Amounts written off / written back	-
Balance as at March 31, 2023	79
Impairment loss recognised	(2)
Amounts written off / written back	-
Balance as at March 31, 2024	77

Cash and bank balance

The Group held cash and bank balance with credit worthy banks and financial institutions of ₹ 3,427 and ₹ 2,899 as at March 31, 2024 and March 31, 2023 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, 2024				As at March 31, 2023			
	Carrying amount	Less than 1 year	1 to 4 years	More than 4 years	Carrying amount	Less than 1 year	1 to 4 years	More than 4 years
Borrowing (Including Interest)	35	21	14	-	249	154	95	-
Trade payables	497	497	-	-	1,016	1,016	-	-
Lease Liability	91	22	69	-	120	26	91	3
Other financial liabilities	728	728	-	-	395	395	-	-
Bank Guarantee and LC given	-	490	1,440	-	-	940	225	-

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, 2024

(All amounts in Indian rupees in lakhs 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
March 31, 2024					
Financial assets					
Investments	-	-	16	-	16
Trade receivables	-	678	151	-	829
Cash and cash equivalents	-	10	628	-	638
Net exposure to foreign currency risk (assets)	-	689	794	-	1,483
Financial Liabilities					
Trade payables	0	90	211	5	308
Trade payables for capital Goods	-	76	105	-	181
Net exposure to foreign currency risk (liabilities)	0	166	317	5	489
Rupee Conversion Rate	83.37	90.22	105.29	92.36	
March 31, 2023					
Financial assets					
Investments	-	-	15	-	15
Trade receivables	234	413	784	-	1,431
Cash and cash equivalents	33	2,754	2,703	8	5,497
Net exposure to foreign currency risk (assets)	266	3,167	3,502	8	6,943
Financial Liabilities					
Trade payables	155	293	1,824	-	2,273
Trade payables for capital Goods	-	-	163	-	163
Net exposure to foreign currency risk (liabilities)	155	293	1,987	-	2,435
Rupee Conversion Rate	82.17	89.44	101.65	89.70	

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, 2024		March 31, 2023	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	(0.00)	0.00	1.11	(1.11)
EUR	5.22	(5.22)	28.74	(28.74)
GBP	4.78	(4.78)	16.51	(16.51)
CHF	(0.05)	0.05	0.08	(0.08)

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 Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at	
	March 31, 2024	March 31, 2023
Variable rate borrowings	-	-
Fixed rate borrowings	33	225
Total borrowings	33	225

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to safeguard the Group's ability to remain as a going concern and maximise the shareholder value. The Group 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 Group may adjust its dividend payment (refer note 17) ratio to shareholders, return capital to shareholders or issue fresh shares. The Group 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 Group's adjusted net debt to equity ratio are as follows.

Particulars	March 31, 2024	March 31, 2023
Borrowings		
Long term and Short term borrowings	13	91
Current maturities of Long term borrowings	20	134
Less: Cash and cash equivalents	(762)	(706)
Adjusted net debt	(729)	(481)
Total Equity	12,686	9,819
Adjusted net debt to equity ratio	(0.06)	(0.05)

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, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

44 Business Combinations

A) Subsidiaries

The Group's subsidiaries as at March 31, 2024 and March 31, 2023 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
		%	%	%	%	
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
Advance Secure Products B.V.	The Netherlands	100	100	-	-	Dealing in hightech products and services
Avery Pharmaceuticals Private Limited	India	99.65	99	0.35	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 (0.35%)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Current assets	65	61	1040	1301	306	279
Current liabilities	7	6	213	164	106	91
Net current assets	59	55	827	1,137	200	188
Non Current assets	22	21	171	230	1943	2001
Non Current liabilities	-	-	-	-	116	3131
Net non-current assets	22	21	171	230	1,827	(1,130)
Net assets	80	76	998	1,366	2,026	(941)
Accumulated NCI	39	37	152	172	(2)	(2)


Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs 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 (0.35%)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Revenue	45	22	295	496	127	35
Profit for the year	4	0	(409)	(45)	(646)	(548)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	4	0	(409)	(45)	(646)	(548)
Profit allocated to NCI	2	0	(20)	(2)	-	-
Dividend paid to NCI	-	-	-	-	-	-

Summarised cash flows	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (0.35%)	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Cash flows from operating activities	12	(20)	54	(357)	(275)	(341)
Cash flows from investing activities	3	3	66	64	(1)	(127)
Cash flows from financing activities	-	-	-	-	289	475
Net increase/(decrease) in cash and cash equivalents	16	(17)	120	(293)	13	7

C) Transactions with non-controlling interests

There are no transaction with non controlling interest in FY 2023-24 and FY 2022-23.

D) Interests in associates

Set out below are associates of the group as at March 31, 2024 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
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, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

45 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.

March 31, 2024	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	12,588	98%	3,930	134%	(8)	-12%	3,922	131%
Arrow Green Technologies (UK) Limited (consolidated)	2,071	16%	(351)	-12%	-	0%	(351)	-12%
Arrow Secure Technology Private Limited	0	0%	(0)	0%	-	0%	(0)	0%
Avery Pharmaceuticals Private Limited	2,026	16%	(646)	-22%	-	0%	(646)	-22%
LQ Arrow Security Products (India) Private Limited	80	1%	4	0%	-	0%	4	0%
Consolidation Adjustments	(4,080)	-32%	14	0%	75	112%	90	3%
Non Controlling Interest in all subsidiaries	190	1%	(18)	-1%	-	0%	(18)	-1%
Total	12,875		2,933		67		3,000	

March 31, 2023	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	8,815	88%	1,888	154%	(8)	-20%	1,880	148%
Arrow Green Technologies (UK) Limited (consolidated)	2,494	25%	(177)	-14%	-	0%	(177)	-14%
Arrow Secure Technology Private Limited	0	0%	(0)	0%	-	0%	(0)	0%
Avery Pharmaceuticals Private Limited	(941)	-9%	(548)	-45%	-	0%	(548)	-43%
LQ Arrow Security Products (India) Private Limited	76	1%	0	0%	-	0%	0	0%
Consolidation Adjustments	(625)	-6%	65	5%	51	120%	115	9%
Non Controlling Interest in all subsidiaries	208	2%	(2)	0%	-	0%	(2)	0%
Total	10,028		1,226		42		1,268	



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

46 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	21	1,223	1,344	100	586	291	47	12	35	-	100.00
	GBP	0.20	12	13	1	6	3	0	0	0	-	
Advance IP Technologies Limited	INR	1	997	1,211	213	16	295	(409)	-	(409)	-	95.00
	GBP	0.01	9	12	2	0	3	(4)	-	(4)	-	
Advance Secure Products B. V.	INR	9	123	391	259	-	1,283	248	48	200	-	100.00
	GBP	0.09	1	4	2	-	12.33	2	0	2	-	
Arrow Secure Technology Private Limited	INR	43	-43	0	0	-	-	0	-	(0)	-	100.00
Avery Pharmaceuticals Private Limited	INR	71.45	1955	2249	222	0	129	-870	-224	(646)	-	99.65
LQ Arrow Security Products (India) Private Limited	INR	75	5	87	7	21	49	4	1	4	-	51.00

Exchange rates	INR	GBP
	Avg. Rate	104.07
	Closing Rate	105.29

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-24	4,600	46	(56)	-	(0)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-24	4,900	49	(2)	-	(0)	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, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

47 Loans

DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- (i) Details of Investments made are given in Note 5
- (ii) There are no loans issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder
- (iii) There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder

48 Financial Ratio

Ratio / Measure	Methodology	March 31, 2024	March 31, 2023
(a) Current ratio ¹	Current assets over current liabilities	5.97	4.58
(b) Debt-Equity ratio ²	Debt over total shareholders' equity	0.00	0.02
(c) Debt Service Coverage ratio ³	EBITDA over Interest bearing Debt + Interest	95.50	9.15
(d) Return on Equity ratio ⁴	PAT over total average equity	25.61%	13.84%
(e) Inventory turnover ratio ⁵	Cost of goods sold over average inventory	116.00	72.45
(f) Trade Receivables turnover ratio ⁶	Revenue from operations over average trade receivables	5.08	7.27
(g) Trade payables turnover ratio	Cost of goods sold over average trade payables	7.76	8.20
(h) Net capital turnover ratio	Revenue from operations over working capital	2.14	1.81
(i) Net profit ratio ⁷	Net profit over revenue	19.75%	11.27%
(j) Return on Capital employed ⁷	PBIT over capital employed	37.25%	24.70%
(k) Return on investment ⁸	Interest income, net gain on sale of investments and fair value gain over average investments	4.85%	1.23%

Explanation for variance exceeding 25% :

- 1 Increase in current ratio due to increase in inventories, Trade receivables and correspondingly decrease in current borrowings and trade payables.
- 2 Debt - Equity ratio has improved as debts have been paid off & profits have increased due to better performance
- 3 With good performance of the Company, the Company's Ebitda has increased considerably along with repayment of borrowings leads to improvement in debt service coverage ratio.
- 4 PAT has improved significantly due to increase in turnover of the Company, which has resulted in increase in ratio.
- 5 Turnover of the Company has improved considerably. As a result, the inventory turnover ratio has increased.
- 6 Turnover of the Company has improved considerably resulting decrease in Debtors turnover ratio.
- 7 Improved performance in turnover has maintained better return on capital & better profit ratio.
- 8 Dividend income and fair valuation gain on investments resulted in improvement in ROI.

49 Loss by Fire

The holding company has successfully concluded its Fire Insurance Claim for the year 2019, by receiving the final tranche of settlement amount of ₹ 79 Lakhs. The company had prudently made provisions totalling ₹ 71 Lakhs in anticipation of potential claim liabilities. Furthermore, as part of the reconciliation process following the final settlement, the company reversed a provision of ₹ 8 Lakhs.

50 Additional regulatory information required by Schedule III to the Companies Act, 2013

- (i) The Holding Company and its Indian Subsidiaries does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Holding Company and its Indian Subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) The Holding Company and its Indian Subsidiaries has not traded or invested in Crypto currency or Virtual Currency during the year.
- (iii) The Holding Company and its Indian Subsidiaries has not come across any transaction occurred with struck-off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.



Notes to the Consolidated financial statements for the year ended March 31, 2024

(All amounts in Indian rupees in lakhs unless otherwise stated)

- (iv) The Holding Company and its Indian Subsidiaries has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (v) The Holding Company and its Indian Subsidiaries does not have any charges or satisfaction of charges which is yet to be registered with the Registrar of the Companies beyond the statutory period.
- (vi) Utilization of borrowed funds and share premium :
- (i) The Holding Company and its Indian Subsidiaries has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Company (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (ii) The Holding Company and its Indian Subsidiaries has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Holding Company and its Indian Subsidiaries shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries
- (vii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- viii) The Holding Company and Its Indian Subsidiaries has not revalued its Property, Plant and Equipment during the year.
- ix) The Holding Company and Its Indian Subsidiaries has not revalued its intangible assets during the year
- 51 The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year-end, the Group has reviewed all such contracts and confirmed that no provision is required to be created under any law / accounting standard towards any foreseeable loss.
- 52 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 53 The Consolidated IndAs financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on May 25, 2024.
- 54 The Board of Directors of Holding Company has recommended a dividend of ₹ 2/- per Equity Share of ₹ 10/- each (20%) for the year ended March 31, 2024, which is subject to approval of shareholder's in ensuing Annual General Meeting.
- 55 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**
CIN : L21010MH1992PLC069281

Shilpan Patel
Managing Director
DIN No - 00341068

Neil Patel
Joint Managing Director
DIN No - 00607101

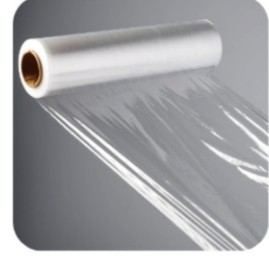
Place : Mumbai
Date : May 25, 2024

Hitesh Punglia
Chief Financial Officer

Poonam Bansal
Company Secretary

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- ☑ Instant onset of action
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- ☑ No risk of choking
- ☑ No chewing or swallowing required
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- ☑ 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



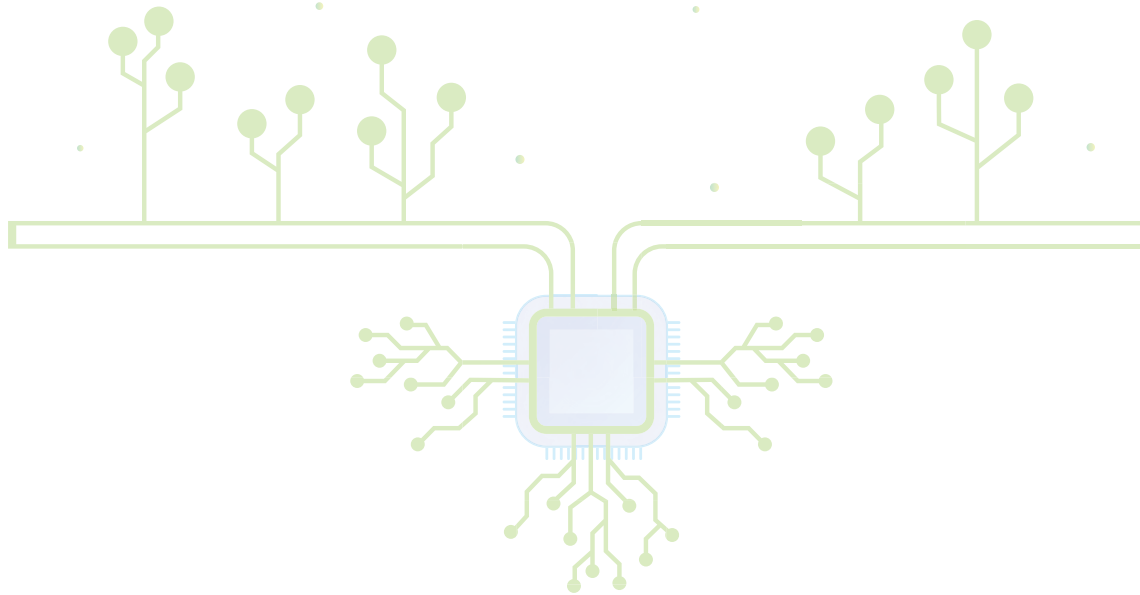
Veterinary

Production Unit (Ankleshwar)



Production Unit (Sanand)





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