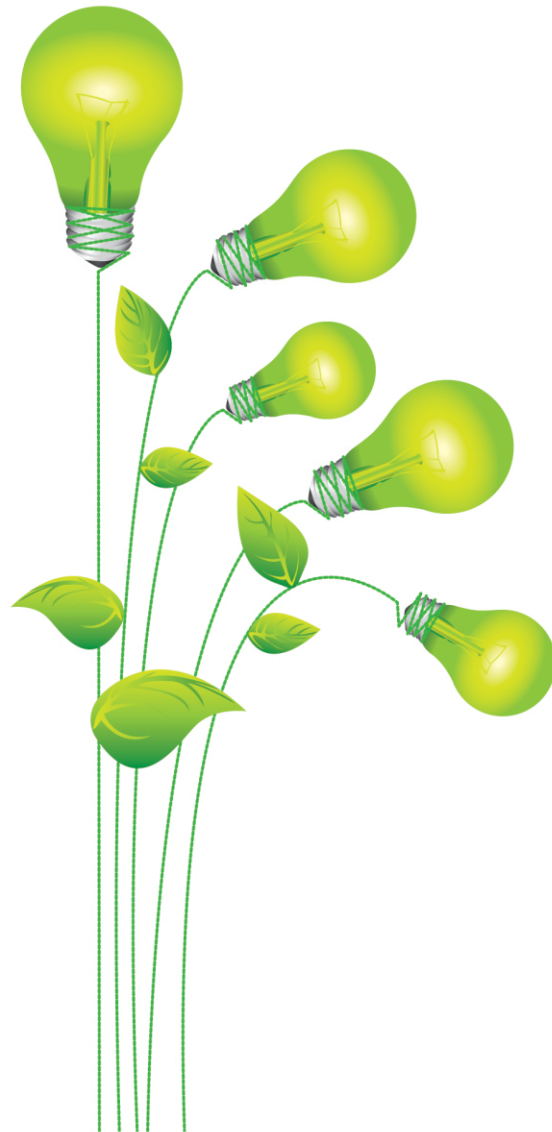


# Imagination to Innovation

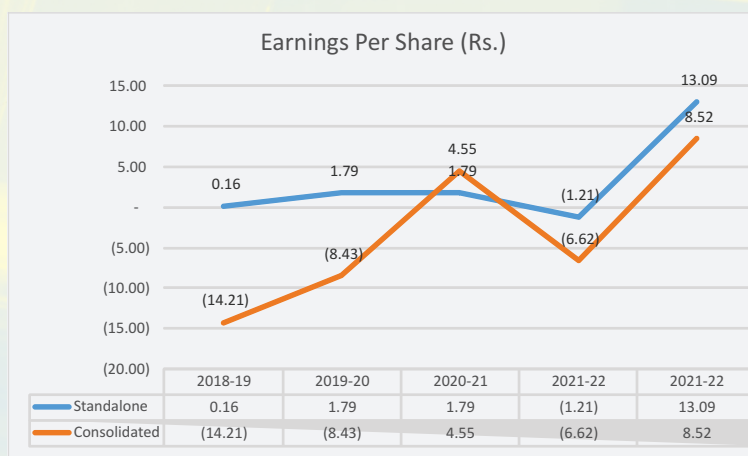
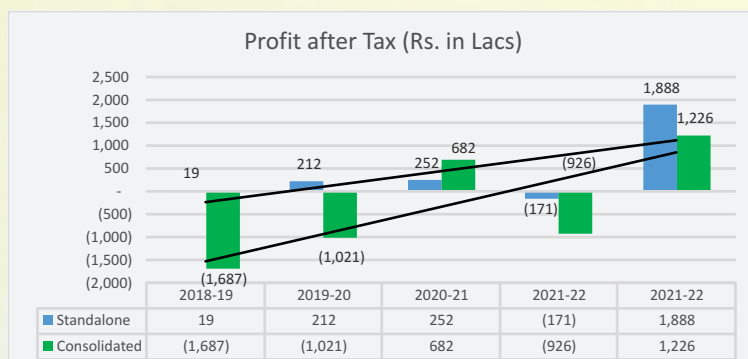
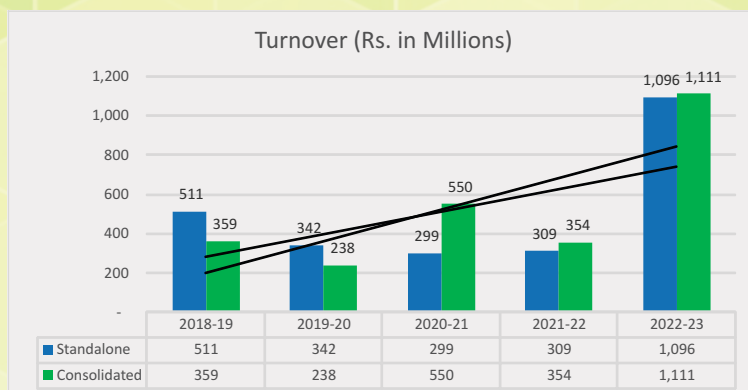


**31st**

ANNUAL  
REPORT

**2022 -23**

## Financial Highlights at a glance



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## Chairman Message

### Dear Partners,

Today, I address you as "Partners in Prosperity". We have seen the ups and downs of our company, and we all have been through it all. You believed in Team Arrow and I want to personally Thank you all. The world has been through Covid, Ukraine war and resultant worldwide inflationary pressures. India has felt the same too, and so has our company. In India we managed to skirt the losses to a large extent, but our international subsidiaries were not so lucky.

Today, as always, I am grateful to our totally dedicated young team, and unflinching support of Team Arrow.

We seem to have come out of the horrific pandemic, and we are sure we will come out more strong, simply due to the tenacity, loyalty, courage and focus on doing the right thing. My heart goes out to all the youngsters of our workforce, who incessantly, meticulously and tirelessly kept getting the job done. I am also grateful to our pragmatic government for taking timely steps for deserving MSMEs like ours. We learnt the pros and cons of working from home and are now integrating with the new norm of doing business. We all have adapted to new methods of sales, marketing, and PR with our respective customers, simply on VC and other platforms. We have now established new norms of communication and cost benefit models of personal visits v/s digital visits. This has resulted in lots of cost savings as well.

After the Ukraine war and trade embargoes on certain countries, we have learnt the real meaning of "risk mitigation in supply chain management". Though we were wary of this, from patriotic point of view, we were somehow directly or indirectly linked for some of our supplies from unfriendly countries, like China, we have now established secure and trusted suppliers in Asean and European countries, negotiated better terms and de-risked our supply chain. This will add to our bottom line for years to come.

Our team are working on offsetting these losses, and our clients have also been very cooperative and loyal to our quality-based brand. Our products are unique and patented, we seem to have a smoother transition and going forward these prices may become the benchmark, thus increasing profitability.

Our sales and profit growth are expected to go up from hereon as we have broken new ground in newer fields, which will reap huge benefits, going forward. Fresh thinking has crept into the peaceful minds of our RND Team and IP Cell, and they silently, but surely, done some wonderful inventions and formulated newer processes, which will result in more Patents. Our IP Cell continues to reap awards from GOI and continue to grow our IP Portfolio.

Our IT Team and KMPs are already working on the next 5-year plan, particularly in office management, learnings from our foreign offices and foreign partners.

Revenue from our Water-Soluble Film continues to be on an upward trend and this year we had reasonably good revenues and increased order book from our Hi-tech product Division, which includes High Security products and IP.

Our RND Centre, which went critical last year, is now up to speed. We focused on filing IPs and working out of our Ankleshwar Lab and Mumbai based Labs, which has also been updated to cover various divisions of our company.



Our subsidiary Avery Pharmaceuticals Private Limited, which is focused on our patented technology of Actives Embedded WSF, as a Novel Drug Delivery System (NDDS), has started production but due to delays in regulatory affairs and acceptance of the new technology, is a bit of a drag on our company though an export has been shipped and repeat orders are expected and this opportunity and will only increase from hereon. Contract with a big multinational company has been signed, and our marketing division is now actively looking for more territories for exports. We have also received approvals for various pharmaceuticals and nutraceuticals products.

This year we continue our focus on our security products, which is part of High-Tech division, for development, indigenization and exports of anti-counterfeit threads and other security elements for high security papers. We have signed contracts for certain hi-tech products in this sector and we anticipate higher growth, going forward. I am happy to inform you that our company is also very focused on indigenization of Hi-tech products, following Atma-Nirbhar India initiative by our Hon. Prime Minister. Going forward, this will lead to higher revenues and will eye the lucrative export market, leveraging our contacts in friendly countries, thus increasing foreign exchange revenues for our company and our country.

Our company is always focused on Hon. Prime Minister's call on Make in India/Atma Nirbhar Bharat, and have been actively pursuing various GOI procurement tender bids. We intend to aggressively look at these niche products, which are basically import substitutes, creating bigger opportunities for your Company. We are grateful to GOI for promulgating various amendments in Govt. procurement policies and MSME reforms for Indian companies. We will also be looking at utilizing our equipment and technology for other related security product markets, which we will keep you informed from time to time, as these are covered by various confidentiality clauses.

We continue to make investments in people, processes, Research & Development, Intellectual Property and Technology, we will continue to focus newer high-Tech products, while keeping an eye on greener and Eco-friendly technologies innovated in different geographies globally, bring them to India, for transformation of our future business.

We have increased our head count from 105 to 133 across the board. This is our humble contribution to our country.

While we continue to remain creative and energetic, we promise to keep an eye on topline and bottom line numbers to create shareholder values and assure them of our best initiatives at all times. We are indeed grateful to all our stake holders and team members for their unflinching support, while we hold our moral and ethical values, very close to our hearts.

Namaskar,

**Shilpan P. Patel**  
Chairman & Managing Director




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

Mr. Shilpan Patel aged 67 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 37, is **Jt. Managing Director** of our Company. He has done M. Sc. (Bio Medical Science) from Kingston College, London. He possesses good entrepreneurship skills. He has excellent organizational skills and is inclined to take over the operations of the company. He is associated with the Company since 2009.

He is member of Audit Committee of the Company and Stakeholders Relationship Committee of the Company. He has been appointed to our board for the first time on 1st June 2012 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from the Annual General Meeting held on September 29, 2020.



**Mr. Haresh Mehta**, aged 70 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. Harish Mishra** aged 73, is an **Independent Director** of our Company. He graduated in Commerce and done M. Com from Jabalpur University in the year 1973. He has vast experience in Advertising and Production. He was associated with ZEE TV.

He is Chairman of Nomination & Remuneration Committee and Audit Committee of the Company. He has appointed to our board for the first time on 1st June 2012 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from the Annual General Meeting held on September 07, 2019.



**Mr. Dinesh Modi**, aged 72 years, is an **Independent Director** of our Company. He is a Company Secretary, and graduated in Commerce and done L.L.B from Bombay University. He has vast experience & knowledge in Finance and Legal & Corporate Sector. Currently he is practicing as a Corporate Law Advisor. He was associated with Reliance ADA Group.

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

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



**Mrs. Jigisha Patel** aged 66 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	Joint Managing Director
Mr. Haresh Mehta	Independent Director
Mr. Harish Mishra	Independent Director
Mr. Dinesh Modi	Independent Director
Mr. Dinkarray Trivedi	Independent Director (resigned w.e.f. 13th April 2023)
Mrs. Jigisha Patel	Woman Director

### COMPANY SECRETARY :

Ms. Poonam Bansal

### CHIEF FINANCIAL OFFICER:

Mr. Hitesh Punglia

### REGISTERED OFFICE :

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

### WORKS :

5310/5311 - GIDC,  
ANKLESHWAR - 393 002

### STATUTORY AUDITORS :

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

### INTERNAL AUDITORS :

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

### SECRETARIAL AUDITORS :

M/s. Rajendra & Co.  
Company Secretaries  
Mumbai

### 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

### 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 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of Arrow Greentech Ltd. will be held on, Saturday, the September 23, 2023 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, 2023 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, 2023.
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 2023-24 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 2023-24, as approved by the Board of Directors of the Company, be and is hereby ratified”.

5. **Increase in remuneration of Mr. Shilpan P Patel (DIN: 00341068), Chairman and Managing Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Rules framed thereunder, (including any statutory modifications or reenactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members be and is hereby accorded for increase in remuneration of Mr. Shilpan P Patel (DIN:00341068), Chairman and Managing Director of the Company w.e.f., 1st July 2023 till the remaining period of his tenure, which shall in no case exceed ten percent of the Net Profits of the Company to all Executive Directors and which shall in no case exceed five percent of the Net Profit of the Company to one Executive Director, if applicable”

“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 Chairman and 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 can alter and vary the remuneration payable to Mr. Shilpan P Patel which shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorised to vary and/or revise the remuneration of Mr. Shilpan P Patel as Chairman and Managing Director within the overall limits under the Act subject to such other approval that may be necessary and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid Resolution”.

6. **Increase in remuneration of Mr. Neil S Patel (DIN: 00607101), Joint Managing Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the Rules framed thereunder, (including any statutory modifications or reenactment thereof, for the time being in force) and the Articles of Association of the Company and subject to such other approvals as may be necessary, the approval of the Members be and is hereby accorded for increase in remuneration of Mr. Neil S Patel (DIN:00607101), Joint Managing Director of the Company w.e.f., 1st July 2023 till the remaining period of his tenure, which shall in no case exceed ten percent of the Net Profits of the Company to all Executive Directors and which shall in no case exceed five percent of the Net Profit of the Company to one Executive Director, if applicable”

“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 can alter and vary the remuneration payable to Mr. Neil S Patel, which shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorised to vary and/or revise the remuneration of Mr. Neil S Patel as Joint Managing Director within the overall limits under the Act subject to such other approval that may be necessary and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid Resolution”.

**7. 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 Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to the necessary approvals, consents, permissions and/or sanctions from the appropriate authorities and consent of the Members of the Company be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof) to sell stake or transfer or otherwise dispose-off its whole or part of investments/shareholding in Avery Pharmaceuticals Private Limited, which is a wholly owned subsidiary Company of the Company, to the purchaser/third party investor, for a consideration as determined by independent valuer or such higher value, to be discharged in form of cash and/or kind, on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do and perform all such acts, deeds, matters and things as it may, in their absolute discretion, deem fit, necessary, proper or desirable, including finalizing, varying and settling the terms and conditions of such sale and to finalize, execute, deliver and perform the agreement, contracts, deeds, undertakings, and other documents in respect thereof and seek the requisite approvals, consents and permissions as may be applicable.”

**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. Pursuant to General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021 and all other relevant circulars issued by the Ministry of Corporate Affairs (collectively referred to as ‘MCA Circulars’), the Company is convening the 31st AGM through Video Conferencing (‘VC’) or Other Audio-Visual Means (‘OAVM’), without the physical presence of the Members. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
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](http://www.arrowgreentech.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on website of the e-voting agency- National Securities Depository Limited at <https://www.evoting.nsdl.com>

- 7. Since the physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Attendance Slip, Route Map and Proxy Form are not annexed to this Notice.
- 8. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to Company Secretary of the Company at [poonam@arrowgreentech.com](mailto:poonam@arrowgreentech.com).
- 9. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 21, 2023 to Saturday, September 23, 2023 (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 2015-16 is due for deposit to the Investors Education and Protection Fund on 3rd November, 2023.
- 11. In case the Dividend has remained unclaimed for the financial years 2015-16 to 2018-19 (Interim and/or Final) the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.
- 12. Members whose shareholding is in the electronic mode are requested to intimate any change in their address to their respective Depository Participants.
- 13. Members seeking any information with regard to the accounts or any document to be placed at the AGM, are requested to write to the Company on or before Wednesday September, 20, 2023 through email on [poonam@arrowgreentech.com](mailto:poonam@arrowgreentech.com). The same will be replied / made available by the Company suitably

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

The remote e-voting period commences on Wednesday, September 20, 2023 (9:00 a.m. IST) and ends on Friday, September 22, 2023 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Saturday, September 16 2023 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"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></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	<p>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**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?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. 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:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) **How to retrieve your 'initial password'?**
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL 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'.
  - (ii) 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:**
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) 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?**

1. 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.
2. 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”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**A. GENERAL GUIDELINES FOR SHAREHOLDERS**

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [cs.rajendra@yahoo.in](mailto:cs.rajendra@yahoo.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.arrowgreentech.com](http://www.arrowgreentech.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

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



3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. 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:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. 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:**

1. 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.
2. 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](mailto:poonam@arrowgreentech.com) from Wednesday, September 13, 2023 (9:00 a.m. IST) to Wednesday, September 20, 2023 (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:-

**DEMATERIALIZATION 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 67 years, hold a Master's degree in Business Administration from Sam Houston University, Texas, USA. He majored in Economics and Marketing. He did his graduation in Commerce from H.L. College of Commerce, Ahmedabad in India. He finished his schooling from St. Xavier's Highschool, Ahmedabad. In 1979-80 he gained experience in coating industry from Grace Paper Industries Pvt. Ltd and worked there for a period of 9 years. In 1990 he developed Water Soluble Film, which is a product of indigenous research and has very strong bearing on environment. In the year 2000 the product (Water Soluble Film) won the India Star Award. Mr. Shilpan Patel is an inventor and has various patents granted to his credits. These patents have been granted in USA, Europe, South Africa, Australia and India and are based on Water Soluble Films and Green Technologies. These granted patents are assigned to Arrow Greentech Ltd, and are in public domain.

He is also director in Arrow 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 2023, he held 54,06,346 shares in the Company.

**Mr. Neil S Patel**, aged 37 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 2023, 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 2023-24**

The Board, on the recommendation of the Audit Committee, has approved in its meeting held on August 12, 2023, the 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 2023-24.

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: Increase in remuneration of Mr. Shilpan P Patel (DIN: 00341068), Chairman and Managing Director of the Company**

Mr. Shilpan P Patel is a well qualified person and is a prominent and successful Entrepreneur with a wide and varied experience. Mr. Patel has professional approach with great business acumen. Due to his foresightedness and hard work, the Company is achieving greater heights. Your Directors foresee a bright future of the Company under his management. Considering his valuable efforts and on recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on June 30, 2020 re-appointed him as a Chairman & Managing Director of the Company w.e.f. April 01, 2020 to March 31, 2025, which was subsequently approved by Shareholders in the 28th AGM of the Company.

Keeping in view the above and Industrial standards and with a recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has, in its meeting held on August 12, 2023, unanimously recommended the increase in the remuneration of Mr. Shilpan P Patel, Chairman and Managing Director of the Company from Rs. 6,75,000/- per month to Rs. 9,00,000/- per month, for the remaining tenure of his appointment.

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

**1) 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.

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

**3) 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.

**NOTES:-**

- (a) Net profit for this purpose shall be as per computation of net profit as per Section 198 of the Companies Act, 2013.
- (b) The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the company to pay overall managerial remuneration upto 10% of net profit to Managing director/ Whole Time Director/Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. Shilpan P Patel, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

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, Mr. Neil S Patel, Joint 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 Ordinary Resolutions set out at Item No. 5 of the Notice for approval by the shareholders.

**Item No. 6: Increase in remuneration of Mr. Neil S Patel (DIN: 00607101), Joint Managing Director of the Company**

Mr. Neil S Patel is a well qualified person and is a prominent and successful Entrepreneur with a wide and varied experience. Mr. Patel has professional approach with great business acumen. Due to his foresightedness and hard work, the Company is achieving greater heights. Your Directors foresee a bright future of the Company under his management. Considering his valuable efforts and on recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on June 30, 2020 re-appointed him as a Joint Managing Director of the Company w.e.f. April 01, 2020 to March 31, 2025, which was subsequently approved by Shareholders in the 28th AGM of the Company.

Keeping in view the above and Industrial standards and with a recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has, in its meeting held on August 12, 2023, unanimously recommended the increase in the remuneration of Mr. Neil S Patel, Joint Managing Director of the Company from Rs. 6,75,000/- per month to Rs. 9,00,000/- per month, for the remaining tenure of his appointment.

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

**1) 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.

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

**3) 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.

**NOTES:-**

- (a) Net profit for this purpose shall be as per computation of net profit as per Section 198 of the Companies Act, 2013.
- (b) The remuneration package is well within the overall limit prescribed under Schedule V to the Companies Act, 2013, which permits the company to pay overall managerial remuneration upto 10% of net profit to Managing director/ Whole Time Director/Manager in any financial year with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and remuneration as it may deem fit and as may be acceptable to Mr. Neil S Patel, subject to the same not exceeding the limits specified under Section 197, Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time or any statutory modification(s) or re-enactment thereof;

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, Mr. Shilpan P Patel, Chairman & 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 Ordinary Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

**Item No. 7:**

The company proposes to sell stake or transfer or otherwise dispose-off its fully or partly investments/shareholding in Avery Pharmaceuticals Private Limited, which is wholly owned subsidiary Company of the Arrow Greentech Limited to purchaser/third party investor, for a consideration as determined by independent valuer or such higher value, to be discharged in form of cash and/or kind.

The Board of Directors of the Company at its meeting held on August 12, 2023 has given its consent to dispose-off its fully or partly investments/shareholding in Avery Pharmaceuticals Private Limited and now recommends Resolution at Item No. 7 of the Notice for approval of the Members of the Company as a Special Resolution.

Members of the Company are further requested to note that Section 180(1)(a) of the Companies Act, 2013 mandates that the Board of Directors of the company shall exercise the power to sell, lease or otherwise dispose-off its fully or partly investments/shareholding in Avery Pharmaceuticals Private Limited, only with the approval of the members of the Company by way of a special resolution.

None of the Directors, Key Managerial Personnel and their relatives except Mr. Shilpan P Patel, Mr. Neil S Patel & Mrs. Jigisha S Patel are, in any way, concerned or interested in the proposed resolution. The Board recommends the Special Resolution as set out at Item No. 7 of the Notice of the AGM for approval by the members.

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

**Poonam Bansal**  
Company Secretary

**Mumbai, August 12, 2023**

**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 31<sup>st</sup> Annual Report on the operations of the Company, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2023.

### Financial Results

(Rupees in lakhs)

Particulars	2022-2023	2021-2022
<b>Total income</b>	<b>10,962</b>	<b>3,094</b>
Profit (Loss) before finance cost, Depreciation and Amortization expenses, exceptional	3,193	148
Less : Finance Cost	104	53
Less : Depreciation and Amortization expenses	428	393
Less: Exceptional items		
Profit Before Tax	2,660	(298)
Less : Provision for Taxation		
- Current Tax	655	70
- Deferred Tax items & Tax	170	(198)
- Earlier Year Tax Adjustment	(53)	
Profit for the year	1,888	(171)
Other Comprehensive Income	(8)	(1)
Profit for the year after other comprehensive income	1,880	(170)
Add : Balance brought forward	3,460	3,630
<b>Balance carried to Balance Sheet</b>	<b>5,340</b>	<b>3,460</b>

### Indian Accounting Standard

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

### Operations:

The total income from operations including other income for the financial year under review amounted to Rs. 10,962 Lacs as compared to Rs. 3,094 Lacs in the previous year. The Company has earned net profit of Rs. 1,880 Lacs (including other comprehensive income) as compared to Rs. (170) Lacs in the previous year. After adjustment of brought forward balance of Rs. 3,460 Lacs from previous year, Rs. 5,340 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 10% on 1,50,87,938 Equity Shares of the face value of Rs. 10/- i.e. Re.1/- per equity share for the financial year ended 31st March 2023 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. 1140 Lakhs (previous year Rs. 743 Lakhs)
Foreign Exchange outgo	–	Rs. 1610 Lakhs (previous year Rs. 1039 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 2022-2023. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith marked as ANNEXURE I to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**Internal Auditor:**

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

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

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

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

**Subsidiaries**

As on March 31, 2023 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](http://www.arrowgreentech.com) under the Investors Section.

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

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

#### **Increase in Authorized Share Capital**

The Memorandum of Association of the Company was altered during the year by increase in the authorized share capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores) comprising 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Face Value of Rs. 10/- (Rupee Ten Only) each to Rs. 17,50,00,000/- (Rupees Seventeen Crores Fifty Lakhs Only) divided into 1,75,00,000 (One Crore Seventy Five Lakhs) Equity shares of Face Value of Rs. 10/- (Rupees Ten Only).

#### **Issue of Equity Shares on Preferential Basis**

During the year under review, the Company had issued and allotted 10,00,000 Equity Shares on Preferential Basis on November 30, 2022.

The Paid up Share Capital as on March 31, 2023 was Rs.15.09 crores.



### **Directors and Key Managerial Personnel**

Mr. Dinkarray D Trivedi, Independent Director has resigned from the Board of Directors of the Company, on 13, April 2023. The Board places on record his appreciation for the contribution in the overall growth of the Company during her tenure as Director.

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

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

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Shilpan Patel, Chairman & Managing Director, Mr. Neil Patel, Jt. Managing Director, Mr. Hitesh Punglia, Chief Financial Officer and Ms. Poonam Bansal was the Company Secretary of the Company. The Remuneration and other details of Key Managerial Personnel for the financial year ended March 31, 2023 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 six 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, 2023, where at the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

### **Audit Committee**

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

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

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

### **Nomination and Remuneration Committee**

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

### **Nomination and Remuneration Policy**

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

### **Corporate Social Responsibility Initiatives**

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

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



**Related Party Transactions:**

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

**Particulars of Employees and related disclosures**

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

**Risk management policy**

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

**Directors' Responsibility Statement**

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

- i) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March, 2023 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: 27th May 2023

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



## ANNEXURE I

**FORM NO. MR 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[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, 2023** 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 2023** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to 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 following special Resolutions

1. Pertaining to Related party Transactions
2. Issue of Equity shares on preferential basis

All the above resolutions are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines

For Rajendra and Co.,  
Company Secretaries

(CS Rajendra Vaze )  
Company Secretary

FCS No : 4247  
C.P.No : 1975

UDIN : F004247E000400610

Place : Mumbai  
Date : 27th May 2023

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

( CSRajendraVaze )  
Company Secretary

FCS No . 4247  
C.P. No 1975

UDIN : F004247E000400610  
Place: Mumbai  
Date: 27th May 2023

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	16	1,128	1,263	129	34	62	(117)	-	(117)	-	100
	GBP	0	11	12	1	0	1	(1)	-	(1)	-	
Advance IP Technologies Limited	INR	1	1,365	1,530	164	15	496	(46)	-	(46)	-	95
	GBP	0	13	15	2	0	5	(0)	-	(0)	-	
Advance Secure Products B.V	INR	9	(16)	3	11	-	-	(15)	-	(15)	-	100
	EURO	0	(0)	0	0	-	-	(0)	-	(0)	-	
Arrow Secure Technology Private Limited	INR	43	(43)	1	0	-	-	0	-	(0)	-	100
Avery Pharmaceuticals Private Limited	INR	25	(966)	2,280	3221	-	35	(756)	(208)	(0)	-	99
LQ Arrow Security Products (India) Private Limited	INR	75	1	82	6	21	22	0	-	0	-	51

Exchange rates	INR	GBP
31-Mar-23	Avg. Rate	96.82
	Closing Rate	101.87

**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-23	4,600	46	(56)	-	(0)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-23	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.



## ANNEXURE III

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
 As on financial year ended on 31.03.2023

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

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L21010MH1992PLC069281
2	Registration Date	30 <sup>th</sup> October, 1992
3	Name of the Company	Arrow Greentech Limited
4	Category/Sub-category of the Company	Public Company – Limited by Shares
5	Address of the Registered office & contact details	1/F Laxmi Industrial Estate, New Link Road , Andheri (West) Mumbai 400 053, Maharashtra Tel No. 022 2074 9000 / 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	21
2	Royalty Income -Patent	77	2
3	Anti Counterfeit Products	139	63
4	Other	46	10

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

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





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

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

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2022				Shareholding at the end of the year - 2023				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	8914541	0	8914541	63.28	9354541	0	9354541	62.00	-1.27
(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	7.07	996014	0	996014	6.60	-0.47
	<b>Sub Total (A)(1)</b>	<b>9910555</b>	<b>0</b>	<b>9910555</b>	<b>70.35</b>	<b>10350555</b>	<b>0</b>	<b>10350555</b>	<b>68.00</b>	<b>-1.74</b>
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>9910555</b>	<b>0</b>	<b>9910555</b>	<b>70.35</b>	<b>10350555</b>	<b>0</b>	<b>10350555</b>	<b>68.60</b>	<b>-1.74</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(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)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	500	0	500	0.00	20073	0	20073	0.13	0.13
(f)	Financial Institutions / 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
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>500</b>	<b>0</b>	<b>500</b>	<b>0.00</b>	<b>20073</b>	<b>0</b>	<b>20073</b>	<b>0.13</b>	<b>0.13</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>[3]</b>	<b>Non-Institutions</b>									
<b>(a)</b>	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2000158	96917	2097075	14.89	1786536	79717	1866253	12.37	-2.52
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1234629	0	1234629	8.76	1986961	0	1986961	13.17	-4.41
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00



Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2022				Shareholding at the end of the year - 2023				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(c)</b>	<b>Any Other (Specify)</b>									
	IEPF	191084	0	191084	1.35	193001	0	193001	1.28	-0.08
	Hindu Undivided Family	222106	0	222106	1.58	205772	0	205772	1.36	-0.21
	Relatives of promoters	0	0	0	0	900	0	900	0.00	0.00
	Friends & Associates	0	0	0	0.00	39	0	39	0.00	0.00
	Foreign Companies	176626	0	176626	1.25	176626	0	176626	1.17	-0.08
	Non Resident Indians (Non Repat)	24036	1200	25236	0.18	41478	1200	42678	0.28	0.10
	Non Resident Indians (Repat)	110565	0	110565	0.78	124402	0	124402	0.82	0.04
	Body Corp-Ltd Liability Partnership	5710	0	5710	0.04	3129	0	3129	0.02	-0.20
	Foreign Portfolio Investor (Individual)	100	0	100	0.00	100	0	100	0.00	0.00
	Clearing Member	26806	0	26806	0.19	10689	0	10689	0.07	0.12
	Bodies Corporate	86146	800	86946	0.62	105960	800	106760	0.70	0.09
	<b>Sub Total (B)(3)</b>	<b>4077966</b>	<b>98917</b>	<b>4176883</b>	<b>29.65</b>	<b>4634593</b>	<b>81717</b>	<b>4716310</b>	<b>31.26</b>	<b>1.61</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>4078466</b>	<b>98917</b>	<b>4177383</b>	<b>29.65</b>	<b>4654666</b>	<b>81717</b>	<b>4736383</b>	<b>31.40</b>	<b>1.74</b>
	<b>Total (A)+(B)</b>	<b>13989021</b>	<b>98917</b>	<b>14087938</b>	<b>100.00</b>	<b>15005221</b>	<b>81717</b>	<b>15086938</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>									
	(C1) Shares Underlying Drs									
[1]	Custodian/DR Holder (C2) Shares Held By Employee Trust	0	0	0	0.00	0	0	0	00.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total (A)+(B)+ (C)</b>	<b>13989021</b>	<b>98917</b>	<b>14087938</b>	<b>100.00</b>	<b>15005221</b>	<b>81717</b>	<b>15087938</b>	<b>100.00</b>	

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year - 2022			Shareholding at the end of the year - 2023			% 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	4966346	35.25	0.00	5406346	35.83	0.00	0.58
2	JIGISHA S PATEL	1822205	12.93	0.00	1822205	12.08	0.00	-0.86
3	SHILPAN PATEL HUF	1029180	7.30	0.00	1029180	6.82	0.00	-0.48
4	ARROW CONVERTORS PVT LTD	996014	7.04	0.00	996014	6.60	0.00	-0.47
5	RISHIL S PATEL	547000	3.88	0.00	547000	3.63	0.00	-0.26
6	NEIL S PATEL	539810	3.83	0.00	539810	3.58	0.00	-0.25
7	MANISHA SINDHI	10000	0.07	0.00	10000	0.07	0.00	-0.00
	<b>Total</b>	<b>9910555</b>	<b>70.35</b>	<b>0.00</b>	<b>10350555</b>	<b>68.60</b>	<b>0.00</b>	<b>-1.75</b>

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

SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2022		Transactions during the year		Cumulative Shareholding at the end of the year - 2023	
		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	4966346	32.92			4966346	32.92
	Transfer			30 Nov 2022	440000	5406346	35.83
	AT THE END OF THE YEAR					5406346	35.83
2	JIGISHA S PATEL	1822205	12.08			1822205	12.08
	AT THE END OF THE YEAR					1822205	12.08
3	SHILPAN 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	3.63
	AT THE END OF THE YEAR					547000	3.63
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 - 2022		Transactions during the year		Cumulative Shareholding at the end of the year - 2023	
		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	AJAY KRISHNAKANT PARIKH	0	0.00			0	0.00
	Transfer			30 Dec 2022	500000	500000	3.31
	AT THE END OF THE YEAR					500000	3.31
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	191084	1.27			191084	1.27
	Transfer			25 Nov 2022	1917	193001	1.28
	AT THE END OF THE YEAR					193001	1.28
3	AQUAVISTA LIMITED	176626	1.17			176626	1.17
	AT THE END OF THE YEAR					176626	1.17
4	DIPAK KANAYALAL SHAH	174000	1.15			174000	1.15
	Transfer			27 May 2022	1000	175000	1.16
	Transfer			14 Oct 2022	16000	191000	1.27
	Transfer			18 Nov 2022	9000	200000	1.33
	Transfer			23 Dec 2022	(25000)	175000	1.16
	AT THE END OF THE YEAR					175000	1.16
5	ASUTOSH PRAMODCHANDRA MEHTA	130307	0.86			130307	0.86
	AT THE END OF THE YEAR					130307	0.86
6	VARSHA CHUGH .	65389	0.43			65389	0.43
	Transfer			16 Sep 2022	17162	82551	0.55
	Transfer			07 Oct 2022	5587	88138	0.58
	Transfer			14 Oct 2022	39383	127521	0.85
	Transfer			21 Oct 2022	(1694)	125827	0.83
	Transfer			25 Nov 2022	1128	126955	0.84
	AT THE END OF THE YEAR					126955	0.84



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

SN	Name & Type of Transaction	Shareholding at the beginning of the year - 2022		Transactions during the year		Cumulative Shareholding at the end of the year - 2023	
		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
7	MAHESHKUMAR RAJA	44389	0.29			44389	0.29
	Transfer			08 Apr 2022	12917	57306	0.38
	Transfer			15 Apr 2022	20922	78228	0.52
	Transfer			22 Apr 2022	9713	87941	0.58
	Transfer			29 Apr 2022	2059	90000	0.60
	AT THE END OF THE YEAR					90000	0.60
8	PRAMODCHANDRA GORDHANDAS MEHTA	89959	0.60			89959	0.60
	AT THE END OF THE YEAR					89959	0.60
9	HARESH CHHOTALAL MEHTA	8321	0.05			8321	0.05
	Transfer			01 Apr 2022	(21)	8300	0.05
	Transfer			30 Dec 2022	60000	68300	0.45
	AT THE END OF THE YEAR					68321	0.45
10	VIKAS ARORA	0	0.00			0	0.00
	Transfer			28 Oct 2022	17696	17696	0.12
	Transfer			04 Nov 2022	4804	22500	0.15
	Transfer			25 Nov 2022	7500	30000	0.20
	Transfer			02 Dec 2022	15000	45000	0.30
	Transfer			06 Jan 2023	5000	50000	0.33
	Transfer			20 Jan 2023	5000	55000	0.36
	Transfer			24 Feb 2023	4000	59000	0.39
	AT THE END OF THE YEAR					59000	0.39
11	MITA DIPAK SHAH	50000	0.33			50000	0.33
	AT THE END OF THE YEAR					50000	0.33
12	SAKET SARAOGI	60000	0.40			60000	0.40
	Transfer			03 Jun 2022	(3244)	56756	0.38
	Transfer			10 Jun 2022	(7751)	49005	0.32
	Transfer			17 Jun 2022	(8951)	40054	0.27
	Transfer			24 Jun 2022	(1339)	38715	0.26
	AT THE END OF THE YEAR					38715	0.26
13	KISHAN CHAND GUPTA	105500	0.70			105500	0.70
	Transfer			08 Apr 2022	(5500)	100000	0.66
	Transfer			15 Jul 2022	(60000)	40000	0.26
	Transfer			22 Jul 2022	(13000)	27000	0.18
	Transfer			31 Mar 2023	(22000)	5000	0.03
	AT THE END OF THE YEAR					5000	0.03

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	<b>Mr. Shilpan Patel Chairman &amp; Managing Director</b> At the beginning of the year Changes during the year At the end of the year	30-11-22	Preferential Allotment	49,66,346	35.25%	4,40,000	0.00%
					0.00%		2.92%
				54,06,346	35.83%		0.00%
2	<b>Mr. Neil Patel, Joint Managing Director</b> At the beginning of the year Changes during the year At the end of the year			5,39,810	3.83%		0.00%
					0.00%		0.00%
				5,39,810	3.58%		0.00%
3	<b>Mrs. Jigisha Patel, Woman Director</b> At the beginning of the year Changes during the year At the end of the year			18,22,205	12.93%		0.00%
					0.00%		0.00%
				18,22,205	12.08%		0.00%
4	<b>Mr. Haresh Mehta, Independent Director</b> At the beginning of the year Changes during the year At the end of the year	30-11-22	Preferential Allotment	8,321	0.06%		0.00%
							0.40%
				60,000	0.45%		0.00%
5	<b>Mr. Harish Mishra Independent Director</b> At the beginning of the year Changes during the year At the end of the year			900	0.01%		0.00%
					0.00%		0.00%
				900	0.01%		0.00%
6	<b>Mr. Dinesh Modi Independent Director</b> At the beginning of the year Changes during the year At the end of the year			50	0.00%		0.00%
					0.00%		0.00%
				50	0.00%		0.00%
7	<b>Mr. Dinkarray D Trivedi Independent Director</b> (resigned w.e.f. 13th April 2023) 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%
8	<b>Mr. Hitesh Punglia, Chief Financial Officer</b> At the beginning of the year Changes during the year At the end of the year			-	0.00%		0.00%
					0.00%		0.00%
				-	0.00%		0.00%
9	<b>Ms. Poonam Bansal</b> 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	344	-	-	344
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1	-	-	1
<b>Total (i+ii+iii)</b>	<b>345</b>	<b>-</b>	<b>-</b>	<b>345</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	37	-	-	37
* Reduction	156	-	-	156
Net Change	(119)	-	-	(119)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	225	-	-	225
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1	-	-	1
<b>Total (i+ii+iii)</b>	<b>226</b>	<b>-</b>	<b>-</b>	<b>226</b>

**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	Mr. Neil Patel	
		Chairman & Managing Director	Jt. Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	81.00	81.00	162.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.21	0.21	0.43
	(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)	81.21	81.21	162.43
	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)	Mrs. Jigisha Patel	Mr. Dinesh Modi (ID)	Mr. Dinkarray D Trivedi (ID) resigned w.e.f. 13th April 2023		
1	Independent Directors							
	Fee for attending board committee meetings	2.10	2.40	1.20	2.70	1.50	9.90	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	2.10	2.40	1.20	2.70	1.50	9.90	
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	
	Total (B)=(1+2)	2.10	2.40	1.20	2.70	1.50	9.90	
	Total Managerial Remuneration	-	-	-	-	-	172.33	
	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	Ms. Poonam Bansal, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79.01	13.45	92.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.21	0.21	0.43
	(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	79.22	13.66	92.89

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

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



#### Annexure IV

#### Disclosure of composition of the Corporate Social Responsibility Committee and contents of the CSR Policy in the form of an annual report on CSR as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

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

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

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

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

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

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

**3. The Average net profit of the Company for last three financial years: Rs. (36.72) lakhs**

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

Prescribed CSR expenditure for FY 2022-23 : Rs. Nil

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

- (a) Total amount spent for the financial year 2022-23 : Rs. 32,50,000/-
- (b) Amount unspent, if any - Rs. Nil
- (c) Manner in which the amount spent during the financial year is detailed below :

S. 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 ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure up to the reporting period (Amt in ₹)	Amount spent: Direct (Amt in ₹)
1	Promote Social, Educational and Cultural development of the society	Social Economic Development	-	32,50,000	32,50,000	32,50,000	32,50,000

**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. 32,50,000/- for the Financial Year 2022-23.

**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 27, 2023



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Arrow Greentech Ltd (AGTL) is one of the world's leading manufacturers of cast water-soluble films. Water soluble film, the flagship product of AGTL, is marketed under the brand Watersol®. Including optimum capacity utilisation at the Ankleshwar, Gujarat factory, company is focusing on new business development through innovative applications across segments. This shall expand, and strengthen, our growth pyramid for the future. Watersol® films have versatile yet specialised applications across industries, including Agrochemical, Construction chemicals, Dyes & Pigments, Embroidery, Health & Hygiene, Industrial engineering, Water transfer printing, home care and many more.

The agrochemical and home care segments consume around 60-70% of the water-soluble film market in the world, where AGTL is working closely with most key prospects and customers. AGTL is also preparing for expansion by targeting specific segments and establishing its footprint in various international regions. AGTL is constantly investing in research and development and collaborating with various organisations and institutions to work on path-breaking solutions in sustainability, precision engineering, and other sectors.

The global polyvinyl alcohol (PVA) films market size was valued at \$403.69 million in 2022 and is projected to grow at a compound annual growth rate (CAGR) of 5.4% from 2023 to 2030. Increasing demand for eco-friendly packaging materials in developed regions like North America and Europe is expected to drive market growth. Growing environmental concerns in the Asia Pacific region due to the hazards caused by the disposal of general and electronic waste are also expected to drive market growth.

The water-soluble film is a versatile product used for various applications, including disinfectant laundry bags, fly-repellent sheets or pouches, hand-cleaning soap strips, capsule packs, battery separators, and backing sheets for sanitary pads. These products are helping to improve hygiene and safety in public healthcare facilities, especially in the wake of the COVID-19 pandemic.

AGTL's PVA films are water-soluble, biodegradable, and customisable, making them ideal for various new product development applications. These properties enable the films to be used for innovative packaging for water treatment chemicals, swimming pool chemicals, concrete fibre, construction chemicals, and various inhibitors and repellents for industry and consumer use.

AGTL plans to expand its capacity and product base by adding significant capital expenditure (CAPEX) in the coming times. This will activate other new business opportunities across geographies and business segments.

With our robust research and innovation activities, we are on a mission to become one of the most sought-after global suppliers of PVA film and related value-added products soon.

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

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

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

AGTL has a technology for manufacturing the Bioplast film from Biotec, Germany that is compliant with the European standards - EN 13432 and ISO 17088. The final product is 100% bio-compostable, made from renewable plant resources (potato starch, polylactic acid, etc.), and has a diverse range of applications such as garbage bags, garment bags, industrial and commercial packaging, disposable dishes, straws, and food containers, etc.

### C. Security Products:

AGTL has an impressive patent portfolio of security products and brand protection. These patents are having an impact on various products—like Anti-counterfeit Threads, Passport Security, Brand Protection, Paper etc.

AGTL investments are focused on high security elements related to Currency sector, with the viable option of adapting the technology for high value brand protection. Counterfeiting of high value products, including pharmaceuticals packaging will go a long way in promoting this segment of our company.

AGTL has filed several patents and secured National and International grants to rights of claims, for atleast 5 patents, while few are in examination phase. Our IP cell is very positive that we will get grants to these patents, going forward.

Our vision is to focus on Indian Security market, and once proven, we intend to take on the world market, where there are only a few credible players. We are also working on strategic alliances with some of the old players in the market, where we will take advantage of our low-cost base and absorbing their technology, while creating an eco-system to share the opportunities in fair and





ethical manner.

Hon. Prime Minister's initiative of Atma Nirbhar India, has given a new Urja in our company, and we intend to take it to higher levels, by fulfilling his dreams to capture markets in India and abroad, so as to make the world know about zero defect Indian Products, made in India with Pride.

AGTL has invested in a high technology plant to manufacture Anti Counterfeit Thread and security films. It entails multiple facets of metalizing, demattalising, holography, nano printing, nano security element, functional, coatings, including embedding of machine readable taggants and lamination. Products are being designed to be fully embedded or windowed embedded in Security Papers, Tax Stamps and brand protection of high value perfumes, cosmetics, and pharma-vaccines etc., including track and trace management. AGTL is expecting to augment its revenues from all the opportunities offered in this area.

**D. Patents and IPR:**

Arrow has always upheld the belief in securing our markets through strategic filing of Patents in India and abroad via the PCT route. We maintain dedicated Intellectual Property Cells in Arrow India and in our various subsidiaries for this purpose. In today's technology and innovation driven world, we recognise that the success of our company depends significantly on safeguarding our Intellectual Property while simultaneously respecting the rights of other Intellectual Property Right holders.

Our growth and long-term success are heavily reliant on developing inventive and commercial products and the successful commercialisation of such products. This in turn necessitates safeguarding our proprietary processes, know-how, tools, techniques, and other intellectual property. We collaborate closely with inventors, scientific communities, and universities, both in India and abroad, to build value in our selected fields and create revolutionary intellectual property that benefits the company and all its stakeholders.

Over time, we have successfully filed and obtained, trademarks and patents nationally and internationally, enabling us to enforce our intellectual property rights effectively. Patents serve as a means to a shield against infringement and can lead to substantial gains when we successfully commercialise or litigate them as the case may be. As reported earlier, AGTL has claimed injunctions and is in litigation with Nu-Therapeutics and Shilpa Pharmaceuticals. Delays on awards have been due to the Pandemic. Our attorneys are confident of succeeding in these litigations.

In order to bolster our research and development efforts, we have established a dedicated centre for producing "POCs" (proof of concept) and pilot projects. Once proven, these projects can be out-licensed or produced by our company.

We actively participate in the "Select Committee on IP" organized by CII and DIPPIIT (GOI) and supports the Atmanirbhar Bharat Policy of our Hon. Prime Minister and Hon. Finance Minister. We strive to expedite legal judgments and rulings in the IP arena, aspiring to place India in the Top 25 in GII (Global Innovative Index) as envisioned by our Hon. Prime Minister.

We are elated to inform you that our commitment to Innovation and excellence and our contribution to our country's GII advance, has culminated in recognition by CII and DPIIT (Ministry of Commerce, Govt of India). Arrow has received the National IP Award, every year since 2019 barring year of Covid—2020 (i.e. received the National IP Award in 2019, 2021 and 2022 from CII.)

The intellectual property of our company is a vital asset, and we remain steadfast in our efforts to create, protect, and maintain it diligently.

**E. Arrow UK Activities:**

Arrow UK has been focusing on various avenues to generate income. It is a wholly owned subsidiary, of AGTL, India. The Board members and team of Arrow UK are aggressively working for Patent & technology commercialization. We plan to increasingly work on this subsidiary's logistical advantage on an ongoing basis in a very friendly environment offered in western world. Along with monetization of our patents and trading in WSF films, we are also working on trade in high-tech products. Post Brexit, as the UK is out of European Union (EU), Arrow UK has incorporated a wholly owned subsidiary company in the Netherlands and expected to contribute to topline and bottomline from next financial year.

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

AGTL has invested in its wholly owned Subsidiary Company namely, Avery Pharmaceuticals Private Limited ("Avery Pharma") for manufacturing of Mouth dissolving strips (MDS). Avery Pharma is a specialty pharmaceutical company bearing prestigious approval of WHO-GMP and other accreditations with GLP, FSSAI, ISO 9001:2015, and ISO-22000 Certifications. The manufacturing facility has a state-of-the-art manufacturing facility & German-designed machines to undertake dedicated manufacturing of patented Mouth dissolving strips technology.

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



Avery Pharma has entered long-term collaboration and started commercial production for leading MNC with a novel & unique patentable combination of product for the Brazil market and is working on to launch multiple products in other markets. Avery Pharma is also working on clientele-patented new product Development project under the Contract development and Manufacturing model (CDMO).

At present Avery Pharma has 40 + products are approved under FSSAI and 10 + products approved under Rx. Avery has applied test license for more than 20 Rx products and soon will be completing with development phase for these products. Avery Pharma has already filed a patent for two innovative products that are being commercialized in the market and few more innovative products are under the pipeline for patent filling. The research lab has also successfully developed a combination of API in MDS technology, loaded higher doses of drug above 100 mg surpassing the limitation of MDS technology. New developments are underway for sublingual and Buccal MDS technology.

## 2. Opportunities:

Owing to ESG concerns, every company is focused on creating a strong environmental proposition to create more value for its stakeholders. Scientists and politicians today debate on the effects of global warming and dwindling natural resources, green industry practices income of a lower carbon footprint, but increased cost savings, supportive government policies, and ever-increasing profitability as well. Trends in consumption, specially preference towards refill and reuse, government policy, and costs all point towards even more green industry business opportunities in the years ahead.

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

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

Arrow's Security division has a huge capacity, having invested in state-of-the-art manufacturing, and we plan to take our technology and products to the world market, starting with exports to the EU and EER region, while Arrow's 100% owned subsidiary Avery Pharmaceuticals Pvt. Ltd. and Watersol divisions are also looking to expand in South American and African continents. Our in-house R&D Labs facilitates unique development of new products that are new for markets.

Covid 19 gave us an opportunity to replace some parts of the supply chain being disrupted due to the closure of China and Chinese products. It's a good time for us to build on this new opportunity, to increase our markets in India and worldwide. We will be slowly, but surely inching towards the same.

## 3. Threats:

Our business operation may fluctuate due to a variety of factors such as geopolitical development, technology obsolescence over a period, increase in input costs, delay in project execution, patent expiry and tender outcome etc. Threats also include the import of non-specified materials (like extruded films) from China, compelling us to keep our prices competitive. Major risks have been identified by the businesses and functions and the Company will adopt various measures at different points in time to counter these risks successfully on a continuing basis.

## 4. Internal control system and their adequacy:

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

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

The company has appointed a firm of Chartered Accountants as internal auditor in compliance of Section 138 of the Companies Act, 2013 to conduct internal audit of functions and activities of the company. They report on quarterly basis to the company on their findings. Their report is reviewed by the Audit Committee Members and Statutory Auditors.

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

Industrial relations during the year was cordial and peaceful without any disruption of manufacturing activities. Programs aiming motivation and technical and soft skills were conducted during the year. The company has implemented various safety measures for safety of employees. The company has also implemented work from home for non-factory staff and provided the required technology support and tools to function smoothly. The company considers human capital as a critical asset and success factor for smooth organizational workflow and growth of the Company as all the products, patents and product application are Niche in themselves. Therefore, the quest for building a dedicated team is ongoing which will foster the growth of the Company. Manpower as on March 31, 2023 was 98.



**6. Cautionary statement:**

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

**For and on behalf of the Board of Directors**

**Place: Mumbai  
Date: 27th May 2023**

**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, 2023, 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, 2023, the Board comprised seven 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 four 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 six (6) times during the financial 2022-23. The Meetings were held on May 28, 2022, August 13, 2022, October 17, 2022, November 14, 2022, November 30, 2022 and February 13, 2023. 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, 2023 is tabulated hereunder.



Name	Category	No. of Board Meeting attended / held during 2022-23	Attendance at last AGM held on September 30, 2022	No. of directorship held in other public company	Committee Position in other companies	
					Member	Chairman
Mr. Shilpan Patel	Managing Director	6/6	Present	-	-	-
Mr. Haresh Mehta	Independent	5/6	Present	-	-	-
Mr. Harish Mishra	Independent	6/6	Present	-	-	-
Mr. Neil Patel	Joint Managing Director	6/6	Present	-	-	-
Mrs. Jigisha Patel	Non-Executive Non-Independent Woman Director	5/6	Present			
Mr. Dinesh Modi	Independent	6/6	Present	2	2	1
Mr. Dinkarray D Trivedi (resigned w.e.f. 13th April 2023)	Independent	4/6	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 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. 20,000/- for attending each Board Meeting and Rs. 10,000/- for attending each Committee Meetings.

The details of remuneration paid to Directors during the year ended March 31, 2023 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	81.00	-	81.00	54,06,346
Mr. Haresh Mehta	-	2.10	2.10	68,321
Mr. Harish Mishra	-	2.40	2.40	900
Mr. Neil Patel	81.00	-	81.00	5,39,810
Mr. Dinesh Modi	-	2.70	2.70	50
Mr. Dinkarray Trivedi (resigned w.e.f. 13th April 2023)	-	1.50	1.50	-
Mrs. Jigisha Patel	-	1.20	1.20	18,22,205



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

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

**(h) Management Discussion and Analysis**

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

**(i) Code of Conduct**

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

These Codes have been posted on the Company's website [www.arrowgreentech.com](http://www.arrowgreentech.com). All the Board Members and Senior Management personnel of the Company have affirmed Compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2023. A declaration to this effect signed by Mr. Shilpan Patel, Chairman & Managing Director is annexed to this Report.

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

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

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

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

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

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

During the year FY 2022-23, the Independent Directors of the Company also met on February 13, 2023, interalia, 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, 2023 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, 2023, the Audit Committee comprises four (4) Independent Directors and one (1) Executive Director. All Members of the Audit Committee possess accounting and financial management knowledge.

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

The Audit Committee met four times during the year, i.e. on May 28, 2022, August 13, 2022, November 14, 2022, and February 13, 2023. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder



Name of the Member	Category	Position	No. of Meeting held	No. of Meeting attended
Mr. Harish Mishra	Independent Director	Chairman	4	4
Mr. Dinesh Modi	Independent Director	Member	4	4
Mr. Haresh Mehta	Independent Director	Member	4	3
Mr. Dinkarray Trivedi (resigned w.e.f. 13th April 2023)	Independent Director	Member	4	3
Mr. Neil Patel	Executive Director	Member	4	4

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, 2023, this Committee comprised three Independent Directors. They are Mr. Harish Mishra (Chairman), Mr. Dinesh Modi and Mr. Haresh Mehta.

This Committee met three times during the previous financial year i.e. on May 28, 2022, and February 13, 2023. 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. Harish Mishra	Chairman	Independent	2	2
Mr. Haresh Mehta	Member	Independent	2	1
Mr. Dinesh Modi	Member	Independent	2	2

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

- 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, 2023, 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, 2023, 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	3
Mr. Dinesh Modi	Member	Independent	4	4
Mr. Neil Patel	Member	Executive	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 Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the company from time to time.

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

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

This Committee met one time during the previous financial year i.e. on February 13, 2023.

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. Harish Mishra	Chairman	Independent	1	1
Mr. Haresh Mehta	Member	Independent	1	-
Mr. Shilpan Patel	Member	Executive	1	1

**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, 2023 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, 2023 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/

#### 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	November 11, 2022	4:00 p.m.	Video Conferencing (VC) or Other Audio Visual Means (OAVM)
2021-2022	September 30, 2022	4.30 p.m.	
2020-2021	September 29, 2021	4:00 p.m.	
2019-2020	September 29, 2020	11.30 a.m.	

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

Date of A.G.M. / E.O.G.M.	Particulars of Special Resolution
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
September 29, 2020	To approve Re-appointment of Mr. Shilpan P Patel as Managing Director of the Company To approve Re-appointment of Mr. Neil S Patel as Jt. Managing Director of the Company To approve Related Party Transaction

- (iii) Special Resolutions passed through Postal Ballot

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

#### VII. GENERAL INFORMATION FOR SHAREHOLDERS

- a) Annual General Meeting

Time : 3:00 P.M.

Date : 23rd September, 2023

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:

<b>1st Quarter Results</b>	: by August 14, 2023
<b>2nd Quarter Results</b>	: by November 14, 2023
<b>3rd Quarter Results</b>	: by February 14, 2024
<b>4th Quarter &amp; Annual Results</b>	: Before May 30, 2024



- d) **Date of Book Closure** : 21st September 2023 to 23rd 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 2022-23 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 2022-2023 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, 2022	147.00	100.10	148.35	102.05	60845.10	56009.07	18114.65	16824.70
May, 2022	114.40	90.75	113.25	88.00	57184.21	52632.48	17132.85	15735.75
June, 2022	97.00	82.05	98.65	82.55	56432.65	50921.22	16793.85	15183.40
July, 2022	94.45	67.95	93.55	69.00	57619.27	52094.25	17172.80	15511.05
August, 2022	89.00	70.20	86.00	71.25	60411.20	57367.47	17992.20	17154.80
September, 2022	125.10	73.45	125.80	74.50	60676.12	56147.23	18096.15	16747.70
October, 2022	139.00	90.80	137.50	95.50	60786.70	56683.40	18022.80	16855.55
November, 2022	182.45	115.10	183.15	116.10	63303.01	60425.47	18816.05	17959.20
December, 2022	216.50	164.00	216.60	162.00	63583.07	59754.10	18887.60	17774.25
January, 2023	206.95	167.00	206.00	167.00	61343.96	58699.20	18251.95	17405.55
February, 2023	209.00	161.90	208.30	161.25	61682.25	58795.97	18134.75	17255.20
March, 2023	273.80	180.00	273.00	180.60	60498.48	57084.91	17799.95	16828.35

\*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, 2023:**

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	20073	0.13
6.	Bodies Corporate	1,06,760	0.71
7.	Individuals		
	< Rs. 2 Lac	20,60,648	13.66
	> Rs. 2 Lac	17,92,851	11.88
8.	Clearing Member	10,689	0.07
9.	NRI	1,66,795	1.11
10.	Trust	-	-
11.	Overseas Corporate Bodies	1,76,626	1.17
12.	Investor Education & Protection Fund (IEPF)	1,93,001	1.28
13.	HUF	205772	1.36
14.	LLP	3129	0.02
15.	Key Managerial Personnel	39	0.00
16.	Relatives of promoters	900	0.01
17.	Foreign Portfolio Investor (Category - III)	100	0.00
	<b>TOTAL</b>	<b>1,50,87,938</b>	<b>100.00</b>

**IX. The Distribution of Shareholding as at March 31, 2023:**

Slab of Shares Holding	No. of Shareholders	%	Amount in (₹)	%
1 - 500	7059	89.03	66,05,930	4.38
501 - 1000	409	5.16	31,94,400	2.12
1001 - 2000	182	2.30	28,49,240	1.89
2001 - 3000	77	0.97	19,54,650	1.30
3001 - 4000	44	0.55	15,82,160	1.04
4001 - 5000	32	0.40	15,06,910	0.99
5001 - 10,000	62	0.78	43,73,910	2.90
10,001 - Above	64	0.81	12,88,12,180	85.38
<b>Total</b>	<b>7929</b>	<b>100.00</b>	<b>15,08,79,380</b>	<b>100.00</b>

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

As on March 31, 2023 about 99.46% 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, 2023, is given below:

Category	No. of Shares	Percentage
NSDL	1,22,70,748	81.33
CDSL	27,35,473	18.13
PHYSICAL	81,717	0.54
<b>TOTAL</b>	<b>1,50,87,938</b>	<b>100.00</b>



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

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

C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai- 400083

Tel No. : 022 – 49186270

Fax No. : 022 – 49186060

E-mail: rnt.helpdesk@linkintime.co.in

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

**XIII. Plant location:**

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

**XIV. Address for Investor Correspondence:**

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

**Link Intime India Pvt. Ltd,**

Unit : Arrow Greentech Ltd.

C 101, 247 Park, L B S Marg,

Vikhroli (West), Mumbai- 400083

Tel No. : 022 – 49186270

Fax No. : 022 – 49186060

E-mail: rnt.helpdesk@linkintime.co.in

For General Correspondence:

**Ms. Poonam Bansal**

Company Secretary & Compliance Officer

**Arrow Greentech Ltd.**

1/F Laxmi Industrial Estate, New Link Road,

Andheri (West), Mumbai 400 053

Tel No. : 022 – 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 2015-16 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, 2023 (₹ in Lakhs)
31.03.2016	Final	1.50	Sep 27, 2016	Nov 03, 2023	4.54
31.03.2017	Final	5.60	Sep 13, 2017	Oct 19, 2024	13.39
31.03.2018	Final	2.00	Sep 15, 2018	Oct 21, 2025	5.17
31.03.2019	Final	0.50	Sep 07, 2019	Oct 13, 2026	1.39



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

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

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

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

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

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

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

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: August 12, 2023

Shilpan P Patel  
Chairman & Managing Director





**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, 2023.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 27 May. 2023

Shilpan Patel  
Chairman & Managing Director

**Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015****To The Members of  
Arrow Greentech Limited**

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 1, 2022
2. We have examined the compliance of conditions of Corporate Governance by Arrow Greentech Limited ('the Company'), for the year ended on March 31, 2023, 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, 2023.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on Use**

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

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

Snehal Shah  
Partner  
Membership No. 048539  
UDIN: 23048539BGYHVU5305  
Place: Mumbai  
Date: August 12, 2023

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca. gov.) on 12th August 2023 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, 2023 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	DINESH NAVNITLAL MODI	00004556	05/08/2014
2	SHILPAN PRAVIN PATEL	00341068	30/10/1992
3	HARESH CHHOTALAL MEHTA	00376589	29/09/2015
4	NEIL SHILPAN PATEL	00607101	01/06/2012
5	JIGISHA SHILPAN PATEL	01899528	14/07/2020
6	HARISH BALBHADRA MISHRA	05301127	01/06/2012

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 : 12th August 2023  
 UDIN No : F004247E000795081

Peer Review No 2807/2022  
 Unique Identification No S1993MH011200

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

We have audited the accompanying Standalone Ind AS financial statements of Arrow Greentech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2023, 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 Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS financial statements.

**Emphasis of Matter**

We draw attention to Note 49 to the Standalone Ind AS financial statements regarding non provision for fire insurance claim by the Company of Rs. 70.77 lakhs (net), being rejected by Insurance Company. The Company has filed application with insurance company for claiming balance insurance claim. Pending disposal of application filed with insurance company, the management is hopeful of realization of balance claim amount and no further provision is considered necessary in this regard.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.



Sr. No.	Key audit matters	How our audit addressed the key audit matters
1	<p><b>Recoverability and Valuation of Allowance for impairment of Insurance claim (Refer Note 49 of standalone Ind AS financial statements )</b></p> <p>There was incidence of fire at one of the unit in factory of the Company located at Ankleshwar on October 30, 2019 in which certain property, plant and equipment and inventories were damaged and destroyed. The Company had duly filed its insurance claim. Claim of Rs. 611.74 lakhs was made in the books against which Company has received partial claim amount in tranches and some claim amount was written off as non-recoverable. The Company has an insurance claim of Rs. 141.61 lakhs as on March 31, 2023. Pending settlement of claim, the Company has made provision of Rs. 70.84 lakhs and expects to realise balance claim amount.</p> <p>We focused on this area due to the significance of management judgments adopted in assessing the recoverability of claim amount and determination of expected credit loss.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>a) Evaluated the design and implementation of the control relating to management's assessment of the recoverability and determination of expected credit loss of insurance claim and insurance claim.</li> <li>b) Tested the operating effectiveness of control relating to management's assessment of recoverability of insurance claim and determination of expected credit loss of insurance claim.</li> <li>c) Evaluated reasonableness of the method, exemptions and judgements used by the management with respect to recoverability and determination of expected credit loss of overdue insurance claim.</li> <li>d) Obtained the claim filed by the Company, reviewed the final insurance claim report and submission made by the Company for the claim portion rejected by the insurance company. Also, verified the realisability of balance claim amount with source documents and submissions made by the Company to support the conclusion.</li> <li>e) Evaluated the simplified approach applied by the company to identify lifetime expected credit losses. In doing so, tested the historical provision rates and an evaluation was carried out for the need for it to be adjusted to reflect relevant, reasonable and supportable information about expected recoveries in the future.</li> </ul>

#### 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 Directors' Report forming part of Annual Report, but does not include the Standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

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

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

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

#### Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,



they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Ind AS financial statements.

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

- (1) As required by the Companies (Auditor's Report) Order, 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;
  - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
  - g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, 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;

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements – Refer Note 36 on Contingent Liabilities to the Standalone Ind AS financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
  - (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;
  - (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;
  - (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) 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) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

**For Haribhakti & Co. LLP**

**Chartered Accountants**

ICAI Firm Registration No.103523W / W100048

**Snehal Shah**

**Partner**

Membership No. 048539

UDIN: 23048539BGYHUR1700

Place: Mumbai

Date: May 27, 2023



### 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 Ind AS financial statements for the year ended March 31, 2023]

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone Ind AS financial statements of the Company and taking into consideration the information, 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 Ind AS 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, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 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 material discrepancies were noticed on physical verification carried out during the year.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate from bank on the basis of security of current assets. The quarterly returns / statements filed by the company with such bank is in agreement with the books of accounts of the company.
- (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
<b>1</b>	<b>Aggregate amount granted / provided during the year</b>				
	- Subsidiaries	Nil	Nil	468	Nil
	- Associates	Nil	Nil	Nil	Nil
	- Jointly Ventures	Nil	Nil	Nil	Nil
	- Others	301	Nil	2	Nil
<b>2</b>	<b>Balance outstanding as at March 31, 2023 in respect of above cases</b>				
	- Subsidiaries	Nil	Nil	3,050	Nil
	- Associates	Nil	Nil	Nil	Nil
	- Jointly Ventures	Nil	Nil	Nil	Nil
	- Others	526	Nil	1	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 is 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 not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, except for loan of Rs. 3,050 Lakhs paid to a subsidiary company.
- (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 generally 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.

**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
Maharashtra Value Added Tax Act, 2002	VAT	37	2004-2005	Assistant Commissioner of Sales Tax(Appeal), Mumbai	
Central Sales Tax Act	CST	35	2004-2005	Assistant Commissioner of Sales Tax(Appeal), Mumbai	
Income Tax Act, 1961	Income Tax	495	A.Y.2017-2018	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 has prima facie utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) On an overall examination of the standalone Ind AS 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 Ind AS 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 and 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 made preferential allotment or private placement of shares during the year and in our opinion, the requirements of section 42 and section 62 of the Act have been complied with.

Further, the Company has utilized funds raised by way of preferential allotment or private placement of shares for the purposes for which they were raised, except for the following:

Nature of Securities viz. Equity share	Purpose for which funds raised	Total Amount Raised (Rs. in Lakhs)	Amount utilized for the other purpose (Rs. in Lakhs)	Unutilized balance as at March 31, 2023 (Rs. in Lakhs)	Remarks
Preferential Equity Shares	Working capital requirement, Expansion of Business, General Corporate purpose and other purpose	1,080	Nil	600	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 Ind AS 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 year 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 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 Ind AS 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) 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

**Snehal Shah**

Partner

Membership No. 048539

UDIN: 23048539BGYHUR1700

Place: Mumbai

Date: May 27, 2023

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

[Referred to in paragraph 2(I) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Arrow Greentech Limited** on the standalone Ind AS financial statements for the year ended March 31, 2023]

**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, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to standalone Ind AS 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

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**Snehal Shah**

Partner

Membership No. 048539

UDIN: 23048539BGYHUR1700

Place: Mumbai

Date: May 27, 2023



**BALANCE SHEET AS AT MARCH 31, 2023**

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

Particulars	Notes	As at	
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, Plant and Equipment and Intangible assets</b>			
Property, plant and equipment	3	1,167	1,328
Right of Use assets	3A	23	25
Capital work-in-progress	3B	18	20
Intangible assets	3	32	68
Intangible assets under development	3	50	52
Investment Property	4	12	12
Investment in subsidiaries and associates	5	79	79
<b>Financial assets</b>			
(i) Investments	5A	8	83
(ii) Loans	6	2,976	2,355
(iii) Other Financial Asset	7	49	40
Deferred tax assets (Net)	34(c)	146	312
Income tax assets (Net)	8	-	77
Other non-current assets	9	102	140
<b>Total Non-current assets</b>		<b>4,662</b>	<b>4,591</b>
<b>Current assets</b>			
Inventories	10	1,435	596
<b>Financial assets</b>			
(i) Trade Receivables	11	2,071	273
(ii) Cash and cash equivalents	12	162	113
(iii) Bank balances other than (ii) above	13	2,148	1,003
(iv) Loans	14	1	0
(v) Other financial assets	15	22	14
Other current assets	16	109	320
<b>Total current assets</b>		<b>5,948</b>	<b>2,319</b>
<b>TOTAL ASSETS</b>		<b>10,610</b>	<b>6,910</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	1,509	1,409
Other Equity	18	7,306	4,446
<b>Total Equity</b>		<b>8,815</b>	<b>5,855</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	19	91	225
(ii) Lease Liabilities	3A	13	17
Provisions	20	33	21
Income tax liabilities (Net)	8A	225	-
<b>Total Non-current Liabilities</b>		<b>362</b>	<b>263</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	19A	134	118
(ii) Trade payables	21		
- Total outstanding dues to Micro and Small Enterprises		3	3
- Total outstanding dues to others		818	292
(iii) Other financial liabilities	22	391	298
(iv) Lease Liabilities	3A	14	9
Provisions	23	30	34
Other current liabilities	24	43	38
<b>Total current Liabilities</b>		<b>1,433</b>	<b>792</b>
<b>Total Liabilities</b>		<b>1,795</b>	<b>1,055</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,610</b>	<b>6,910</b>
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements (1-56)

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

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

**Snehal Shah**

Partner

Membership No. 048539

Place : Mumbai

Date : May 27, 2023

**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, 2023

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

Particulars	Notes	Year ended	
		March 31, 2023	March 31, 2022
<b>INCOME</b>			
Revenue from Operations	25	10,551	2,391
Other Income	26	411	703
<b>Total Income</b>		<b>10,962</b>	<b>3,094</b>
<b>EXPENSES</b>			
Cost of Material Consumed	27	5,099	636
Purchase of stock-in-trade		470	459
Change in inventory of finished goods, work-in-progress & stock in trade	28	(484)	(85)
Employees Benefits Expenses	29	848	639
Finance Costs	30	104	53
Depreciation and Amortisation expenses	3-4	428	393
Other Expenses	31	1,837	1,297
<b>Total Expenses</b>		<b>8,302</b>	<b>3,392</b>
<b>Profit/(Loss) before tax</b>		<b>2,660</b>	<b>(298)</b>
<b>Income tax expense</b>			
Current Tax	34	655	70
Deferred Tax		170	(198)
Earlier Year Tax Adjustment		(53)	-
<b>Total tax expense</b>		<b>772</b>	<b>(127)</b>
<b>Profit/(Loss) after tax</b>		<b>1,888</b>	<b>(171)</b>
<u>Other comprehensive income not to be reclassified to profit or loss :</u>			
Re-measurement gains/ (losses) on defined benefit plans	40	11	(1)
Income tax relating to the above items	34	(3)	0
		(8)	(1)
Total comprehensive income for the year, net of tax		<b>1,880</b>	<b>(170)</b>
<b>Earnings per equity share (₹)</b>			
Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2022 : ₹ 10)]	35	13.09	(1.21)

The accompanying notes are an integral part of these financial statements (1-56)

### As Per our report of even date

#### For Haribhakti & Co LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

#### Snehal Shah

Partner  
Membership No. 048539

Place : Mumbai  
Date : May 27, 2023

#### 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 ON MARCH 31, 2023

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

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Operating activities</b>		
Profit / (Loss) before tax after exceptional items	2,660	(298)
<b>Adjustment to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation	428	393
Fair value Loss / (gain) on non-current investments	-	(14)
Provision/ (write back) of excess provision For Doubtful Debts (Net)	(60)	80
Provision For Doubtful Advances (Net)	86	118
Sundry balances (written back)/ written off (Net)	-	(3)
Unrealised Foreign Exchange gain	(7)	16
Net gain/ (Loss) on sale of Long term investments	-	13
Finance Cost	104	53
Interest income	(286)	(231)
Dividend Income	-	(413)
Patent written off (including under development)	64	-
	<b>2,990</b>	<b>(287)</b>
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in non-current assets	3	410
Decrease / (Increase) in trade receivables	(1,741)	318
Decrease/ (Increase) in current assets	227	5
Decrease/ (Increase) in Inventories	(839)	(282)
Loans given	(1)	-
Decrease/ (Increase) in Financial Assets	(11)	-
Increase/ (Decrease) in provisions	(4)	9
Increase/ (Decrease) in trade payables	536	111
Increase/ (Decrease) in other financial Liabilities	99	(133)
Increase/ (Decrease) in other Liabilities	6	7
	1,265	158
Income tax paid	(300)	(43)
<b>Net Cash Flow from/ (utilised in) operating activities</b>	<b>965</b>	<b>115</b>
	(A)	
<b>Investing activities</b>		
Purchase of Property, plant and equipment including CWIP	(288)	(400)
Loan to subsidiary company	(440)	(325)
Maturity of mutual fund investment, net	75	474
(Investments in)/maturity of Bank deposits	(1,145)	(159)
Dividend Received	0	413
Interest Received	31	33
<b>Net cash flows from investing activities</b>	<b>(1,768)</b>	<b>36</b>
	(B)	
<b>Financing activities:</b>		
Proceeds from Long term Borrowing	730	50
Repayment of Long term Borrowing	(848)	(104)
Finance cost Paid	(104)	(53)
Dividend Paid	(6)	-
Proceeds from issues of shares	1,079	-
<b>Net cash (used in) financing activities</b>	<b>851</b>	<b>(107)</b>
	(C)	
<b>Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>49</b>	<b>45</b>
Effect of exchange difference on Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the year	113	68
<b>Cash and Cash equivalents at the end of the year (refer note - 12)</b>	<b>162</b>	<b>113</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2023

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

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Components of closing cash and cash equivalents</b>		
Cash on hand	1	3
<b>Balances with Banks</b>		
In Current Accounts	154	110
Deposits with original maturity of less than 3 months	7	-
Cash and Cash equivalents at the end of the year	<b>162</b>	<b>113</b>

Particulars	Balance as at 01-Apr-22	Cash flows	Balance as at 31-Mar-23
Non current borrowings, (Refer Note 19)	344	(118)	226
<b>Total</b>	<b>344</b>	<b>(118)</b>	<b>226</b>

Particulars	Balance as at 01-Apr-21	Cash flows	Balance as at 31-Mar-22
Non current borrowings, (Refer Note 19)	397	(54)	344
<b>Total</b>	<b>397</b>	<b>(54)</b>	<b>344</b>

### Notes:

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

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 (1-56)

### As Per our report of even date

#### For Haribhakti & Co LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

#### Snehal Shah

Partner  
Membership No. 048539

Place : Mumbai

Date : May 27, 2023

#### 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, 2023

(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, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning	1,40,87,938	1,409	1,40,87,938	1,409
Add: Equity Shares (Preferential issue) issued during the year	10,00,000	100	-	-
<b>Balance at the end</b>	<b>1,50,87,938</b>	<b>1,509</b>	<b>1,40,87,938</b>	<b>1,409</b>

### b. Other Equity

	Attributable to owners				
	Reserves and Surplus				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total
<b>Balance at March 31, 2021</b>	<b>902</b>	<b>82</b>	<b>2</b>	<b>3,630</b>	<b>4,616</b>
Profit for the year	-	-	-	(171)	(171)
Other comprehensive income (net of tax)	-	-	-	1	1
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(170)</b>	<b>(170)</b>
<b>Transactions with owners of Company</b>					
Cash Dividends	-	-	-	-	-
<b>Balance at March 31, 2022</b>	<b>902</b>	<b>82</b>	<b>2</b>	<b>3,460</b>	<b>4,446</b>
Profit for the year	-	-	-	1,888	1,888
Premium on issue shares (Refer note 17 (e))	980	-	-	-	980
Other comprehensive income (net of tax)	-	-	-	(8)	(8)
<b>Total comprehensive income for the year</b>	<b>980</b>	<b>-</b>	<b>-</b>	<b>1,880</b>	<b>2,860</b>
<b>Transactions with owners of Company</b>					
Cash Dividends	-	-	-	-	-
<b>Balance at March 31, 2023</b>	<b>1,882</b>	<b>82</b>	<b>2</b>	<b>5,340</b>	<b>7,306</b>

The accompanying notes are an integral part of these financial statements (1-56)

### As Per our report of even date.

#### For Haribhakti & Co LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

#### Snehal Shah

Partner  
Membership No. 048539

Place : Mumbai

Date : May 27, 2023

#### 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, 2023

(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.

### 2. Significant accounting policies

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

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

- a) These Standalone Ind AS Financial Statements ("Financial Statements") of the Company, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") as notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These Financial Statements were authorized for issue by the Company's Board of Directors on May 27, 2023.

##### 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 lacs, 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, 8A & 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. 99 years.

### iii) Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a Straight Line Basis over their estimated useful lives. Costs related to patents



are written off over the remaining useful life from the day of grant. Computer Software's are amortized over a period of 3 years from the date of acquisition.

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

**iv) Capital work in Progress**

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

**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 Ind 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 INDAS 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

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2023.

#### □ Amendment to Ind AS 1 "Presentation of Financial Instruments"

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### □ Amendment to Ind AS 12 "Income Taxes"

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.



**Notes to the financial statements for the year ended March 31, 2023**  
(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	
<b>A Property, plant and equipment</b>							
Leasehold Land	31	-	-	31	2	0	29
Factory Building	290	10	-	300	138	30	132
Plant and Equipment	2,470	172	-	2,642	1,416	316	910
Furniture and Fixtures	38	37	-	75	38	12	25
Electrical Installation	58	7	-	65	36	7	22
Vehicles	94	-	-	94	44	15	35
Office Equipment	47	6	-	53	37	8	8
Computer	50	2	-	53	42	7	4
Office Building	2	-	-	2	1	-	1
<b>Total A</b>	<b>3,081</b>	<b>235</b>	<b>-</b>	<b>3,316</b>	<b>1,753</b>	<b>395</b>	<b>1,167</b>
<b>B Capital work-in-progress (Refer note 3B)</b>							
	20	65	(67)	18	-	-	18
<b>Total B</b>	<b>20</b>	<b>65</b>	<b>(67)</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>
<b>C Intangible assets</b>							
Patent rights	211	9	-	220	142	17	32
<b>Total C</b>	<b>211</b>	<b>9</b>	<b>-</b>	<b>220</b>	<b>142</b>	<b>17</b>	<b>32</b>
<b>D Intangible assets under development</b> (Refer note 3B)							
Patent rights	52	33	-	85	-	-	50
<b>Total D</b>	<b>52</b>	<b>33</b>	<b>-</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>50</b>
<b>Total (A+B+C+D)</b>	<b>3,364</b>	<b>341</b>	<b>(67)</b>	<b>3,639</b>	<b>1,896</b>	<b>412</b>	<b>1,267</b>

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	01-04-94	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, 2023

(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, 2022
	Carrying amount as at April 01, 2021	Disposal / Additions during the year	As at March 31, 2022	Up to April 01, 2021	Disposal / during the year	
<b>A Property, plant and equipment</b>						
Leasehold Land	31	-	31	2	0	29
Factory Building	212	78	290	114	24	138
Plant and Equipment	2,282	188	2,470	1,122	295	1,416
Furniture and Fixtures	38	0	38	33	5	38
Electrical Installation	58	-	58	28	8	36
Vehicles	32	62	94	25	18	44
Office Equipment	43	4	47	32	5	37
Computer	46	5	50	38	5	42
Office Building (Refer Note 1)	2	-	2	0	0	1
<b>Total A</b>	<b>2,744</b>	<b>337</b>	<b>3,081</b>	<b>1,393</b>	<b>361</b>	<b>1,753</b>
<b>B Capital work-in-progress (Refer Note 3B)</b>						
<b>Total B</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>C Intangible assets</b>						
Patent rights	211	-	211	122	20	142
<b>Total C</b>	<b>211</b>	<b>-</b>	<b>211</b>	<b>122</b>	<b>20</b>	<b>142</b>
<b>D Intangible assets under development (Refer Note 3B)</b>						
Patent rights	34	19	52	-	-	52
<b>Total D</b>	<b>34</b>	<b>19</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>
<b>Total (A+B+C+D)</b>	<b>2,989</b>	<b>375</b>	<b>3,364</b>	<b>1,515</b>	<b>381</b>	<b>1,896</b>

Note : (1) Building having gross value of ₹ 2 as on March 31, 2023 (₹ 2 March 31, 2022) 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	01-04-94	in process

(2) Assets Disposal during the year include assets write off Nil (P.Y. - Plant and Equipment ₹ 32)

(3) 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, 2023

(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, 2023

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2023	March 31, 2022
Lease hold land/building	23	25
<b>Total</b>	<b>23</b>	<b>25</b>

Lease liabilities	March 31, 2023	March 31, 2022
Current	14	9
Non - Current	13	17
<b>Total</b>	<b>27</b>	<b>27</b>

#### (ii) Amounts to be recognised in Statement of Profit and Loss for the year ended March 31, 2023

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

Depreciation	March 31, 2023	March 31, 2022
Lease hold land/building	15	11
<b>Total</b>	<b>15</b>	<b>11</b>

Interest expenses on lease liabilities (included in finance cost) March 31, 2023 ₹ 6 (March 31, 2022 ₹ 3) (Refer note 30)

#### (iii) Total cash outflow for leases :

Particulars	March 31, 2023	March 31, 2022
Operating cash flows : Interest expenses	6	3
Lease liabilities paid	17	29
<b>Total</b>	<b>23</b>	<b>32</b>




**Notes to the financial statements for the year ended March 31, 2023**

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

**3B Capital WIP Ageing Schedule**

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

\* The projects in progress for more than 3 years, will be capitalised by March 31, 2024

As at March 31, 2022	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years^	Total
<b>Tangible Assets</b>					
Project in Progress	20	-	-	-	20
Projects temporarily suspended	-	-	-	-	-
	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>
<b>Intangible Assets</b>					
Project in Progress	19	2	1	30	52
Projects temporarily suspended	-	-	-	-	-
	<b>19</b>	<b>2</b>	<b>1</b>	<b>30</b>	<b>52</b>

**Note**

The projects in progress for more than 3 years, as on March 31, 2022 has been fully capitalised in FY 2022-23 except for ₹. 3 lakhs which will be capitalised by March 31, 2024



**Notes to the financial statements for the year ended March 31, 2023**  
(All amounts in Indian rupees in lakhs unless otherwise stated)

**4 Investment Property**

	Gross carrying amount		Accumulated depreciation			Carrying amount As At March 31, 2023
	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	
Guest House	17	17	4	1	-	12
<b>Total</b>	<b>17</b>	<b>17</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>12</b>

	Gross carrying amount		Accumulated depreciation			Carrying amount As at March 31, 2022
	Carrying amount as at April 01, 2021	As at March 31, 2022	Up to April 01, 2021	Charge for the year	Disposal during the year	
Guest House	17	17	4	1	-	12
<b>Total</b>	<b>17</b>	<b>17</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>12</b>

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

	As at March 31, 2023	As at March 31, 2022
Depreciation	1	1
<b>Profit / (loss) from investment property</b>	<b>(1)</b>	<b>(1)</b>
<b>(ii) Fair value</b>		
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 ₹. 25.62 Lacs. The valuation model has considered various input like cost, location, market appreciation, etc.


**Notes to the financial statements for the year ended March 31, 2023**

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

**5 Non-current Investments**

	As at			
	March 31, 2023		March 31, 2022	
	Nos.	Amount	Nos.	Amount
<b>Investment in Equity instruments of subsidiaries (Unquoted) (Fully paid up) (Trade)</b>				
Investment in Arrow Green Technologies (UK) Limited of face value £1 each (100% holding)	20,099	16	20,099	16
Investment in Arrow Secure Technology Private Limited of face value ₹ 10 each (100% holding)	4,31,175	-	4,31,175	-
Investment in Avery Pharmaceuticals Private Limited of face value ₹ 10 each (99% holding) (Refer notes 41 and 50)	2,47,500	25	2,47,500	25
Investment in LQ Arrow Security Products (India) Private Limited of face value ₹ 10 each (51% holding)	3,82,499	38	3,82,499	38
		<b>79</b>		<b>79</b>
<b>Investment in Equity instruments of Associates (Unquoted) (Fully paid up) (Trade)</b>				
Investment in SP Arrow Bio-Polymer Products Private Limited of face value ₹ 10 each (46% holding)	4,600	-	4,600	-
Investment in Sphere Bio-Polymers Private Limited of face value ₹ 10 each (49% holding)	4,900	-	4,900	-
		<b>79</b>		<b>79</b>
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		79		79
Aggregate amount of impairment in the value of investments		-		-
<b>5 A Investments</b>				
<b>in Equity Instruments (Unquoted), (Fully Paid), Non-Trade, at Fair value through Profit or Loss</b>				
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)		8		83
		<b>8</b>		<b>83</b>
Aggregate amount of unquoted investments and market value thereof		8		83
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, 2023		March 31, 2022	
	Units	Amount	Units	Amount
ICICI Prudential Savings Fund - Daily Dividend	1,951	2	72,784	77
HDFC Liquid Fund- Regular Plan - Growth	134	6	134	6
		<b>8</b>		<b>83</b>


**Notes to the financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>6 Loans</b>		
Unsecured, considered good		
Loan to Subsidiary (Refer notes 41, 47 and 50)	3,050	2,355
Less: Allowance for Expected credit loss on loans	(74)	-
	<b>2,976</b>	<b>2,355</b>
<b>7 Other financial assets</b>		
Fixed deposits with Bank (maturity more than 12 months) *	9	9
Security deposits - Others	42	31
Less: Allowance for Expected credit loss on deposits	(2)	-
	<b>49</b>	<b>40</b>
*Held as lien by bank against bank guarantee/Security Deposit of Mar 31, 2023 ₹ 9; Mar 31,2022 ₹ 9. The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good		
<b>8 Income tax assets (Net)</b>		
Advance Income Tax(Net of Provision for Taxation of March 31, 2022 ₹ 804)	-	77
	-	<b>77</b>
<b>8A Income tax liabilities (Net)</b>		
Provision for Income Tax(Net of advance tax of ₹ 1,192 March 31, 2023 )	225	-
	<b>225</b>	-
<b>9 Other non-current assets</b>		
Unsecured, considered good		
Capital advances	31	34
Insurance Claim Receivable (Refer Note 49)	142	142
Less: Allowance for Expected credit losses on claims	(71)	(35)
	<b>102</b>	<b>140</b>
<b>10 Inventories</b>		
Raw materials and components:		
Polyvinyl Alcohol	198	248
Coatings & Additives	424	92
Substrates	86	20
Others	23	12
<b>Total</b>	<b>731</b>	<b>372</b>
Work in progress:		
Water Soluble Films	26	137
Anti Counterfeit Products	309	3
Finished goods:		
Water Soluble Films	82	40
Anti Counterfeit Products	256	8
Stock in trade		
Cleaning products	-	0
Bioplast	0	0
Stores and spares	31	34
	<b>1,435</b>	<b>596</b>

Stock in Trade Bioplast in Absolute figures for March 31, 2023 ₹18,626 (March 31, 2022 - ₹ 37,113)


**Notes to the financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>11 Trade Receivables</b>		
<u>Unsecured</u>		
Dues from subsidiaries, considered good (Refer Note 41)	96	-
Dues from other trade receivables considered good	1,975	273
Dues from other trade receivables considered doubtful	79	139
Less: Allowance for doubtful debts	(79)	(139)
	<b>2,071</b>	<b>273</b>

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, 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	-	-	-	-	-	24	24
<b>Total (A)</b>	<b>185</b>	<b>1,887</b>	<b>13</b>	<b>5</b>	<b>-</b>	<b>61</b>	<b>2,151</b>
Allowance for expected credit loss	-	9	6	4	-	61	79
<b>Total (B)</b>	<b>-</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>-</b>	<b>61</b>	<b>79</b>
<b>TOTAL [(A)- (B)]</b>	<b>185</b>	<b>1,878</b>	<b>7</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>2,071</b>
<b>Percentage of expected credit loss followed for each bracket</b>		<b>0%</b>	<b>47%</b>	<b>80%</b>	<b>0%</b>	<b>100%</b>	

**Trade Receivable Ageing**

As at March 31, 2022	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	127	37	1	84	-	-	249
(ii) Undisputed Trade Receivable - Considered Doubtful	-	6	0	99	0	33	139
(iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Doubtful	-	-	-	-	24	-	24
<b>Total (A)</b>	<b>127</b>	<b>43</b>	<b>1</b>	<b>183</b>	<b>24</b>	<b>33</b>	<b>412</b>
Allowance for expected credit loss	-	6	0	75	24	33	139
<b>Total (B)</b>	<b>-</b>	<b>6</b>	<b>0</b>	<b>75</b>	<b>24</b>	<b>33</b>	<b>139</b>
<b>TOTAL [(A)- (B)]</b>	<b>127</b>	<b>37</b>	<b>1</b>	<b>108</b>	<b>0</b>	<b>-</b>	<b>273</b>
<b>Percentage of expected credit loss followed for each bracket</b>		<b>14%</b>	<b>32%</b>	<b>41%</b>	<b>99%</b>	<b>100%</b>	


**Notes to the financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>12 Cash and cash equivalents</b>		
Balance with bank:		
On current accounts	154	110
Deposits with original maturity of less than 3 months **	7	-
Cash on hand	1	3
	<b>162</b>	<b>113</b>
**Held as lien by bank against bank guarantee of Mar 31, 2023 ₹ Nil, Mar 31, 2022 ₹ Nil. The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.		
<b>13 Bank balances other than cash and cash equivalents</b>		
Unclaimed Dividend Account	32	38
Employer Gratuity Account	2	1
Deposits with maturity of more than 3 months but less than 12 months **	2,114	964
	<b>2,148</b>	<b>1,003</b>
**Held as lien by bank against bank guarantee of March 31, 2023 ₹ 312 , March 31, 2022 ₹ 960. The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.		
<b>14 Loans</b>		
<u>Unsecured, considered good</u>		
Loan to Employees (Repayable on demand)	1	0
Less: Allowance for expected credit loss on loans to employees	(0)	-
Loan to Other considered doubtful	-	25
Less: Allowance for expected credit loss on loans to others	-	(25)
	<b>1</b>	<b>0</b>
<b>15 Other financial assets</b>		
<u>Unsecured, considered good</u>		
Interest accrued on deposits with bank	6	6
Export benefit receivable	16	8
	<b>22</b>	<b>14</b>
<b>16 Other current assets</b>		
<u>Unsecured, considered good unless stated otherwise</u>		
Advance to suppliers	79	126
Prepaid expenses	17	14
Advance to employees	4	3
Balance with Government authorities	9	177
Creditors for Fixed Assets		
	<b>109</b>	<b>320</b>




**Notes to the financial statements for the year ended March 31, 2023**

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

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<u>Authorised share capital</u>				
Equity shares of ₹. 10 each (Refer note 17(d))	1,75,00,000	1,750	1,50,00,000	1,500
<u>Issued, Subscribed and Paid Up :</u>				
Equity shares of ₹. 10 each fully paid	1,40,87,938	1,409	1,40,87,938	1,409
Equity shares of ₹. 10 each fully paid, Preferential issue (Refer note 17(e))	10,00,000	100	-	-
	<u>1,50,87,938</u>	<u>1,509</u>	<u>1,40,87,938.00</u>	<u>1,409</u>

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year (Refer note 46)	1,40,87,938	1,409	1,40,87,938	1,409
Add: Equity Shares (Preferential issue) issued during the year (Refer note 17(e))	10,00,000	100	-	-
Outstanding at the end of the year	<u>1,50,87,938</u>	<u>1,509</u>	<u>1,40,87,938</u>	<u>1,409</u>

**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 Company held on October 17, 2022, the members of the Company be and is hereby accorded to increase the existing Authorised share capital of the Company of ₹ 15,00 divided into 1,50,00,000 equity shares of face value of ₹. 10 each to ₹ 17,50 divided into 1,75,00,000 equity shares of face value of ₹. 10 each.

e) "Pursuant to resolution passed at the meeting of the Board of Directors on 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 for working capital purpose and kept in fixed deposits."

Particulars	Amount
Total Fund raised from issue of Preferential Equity Shares	1,080
Less: Utilised for Working Capital	480
Balance Fund- Invested in Fixed Deposits	600


**Notes to the financial statements for the year ended March 31, 2023**

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

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Private Limited	9,96,014	6.60%	9,96,014	7.07%
Jigisha S. Patel	18,22,205	12.08%	18,22,205	12.93%
Shilpan P. Patel	54,06,346	35.83%	49,66,346	35.25%
Shilpan Patel (HUF)	10,29,180	6.82%	10,29,180	7.31%
	<b>92,53,745</b>	<b>61.33%</b>	<b>88,13,745</b>	<b>62.56%</b>

**g) Details of shares held by promoters**

Name of Promoters	Number of shares	% of Holding	% change during the year
Arrow Convertors Private Limited	9,96,014	6.60%	(0.47)
Jigisha S. Patel	18,22,205	12.08%	(0.85)
Shilpan P. Patel	54,06,346	35.83%	0.58
Shilpan Patel (HUF)	10,29,180	6.82%	(0.49)
Neil Patel	5,39,810	3.58%	(0.25)
Rishil Patel	5,47,000	3.63%	(0.25)
Manisha Sindhi	10,000	0.07%	-
	<b>1,03,50,555</b>	<b>68.60%</b>	<b>(1.73)</b>


**Notes to the financial statements for the year ended March 31, 2023**

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

		As at	
		March 31, 2023	March 31, 2022
<b>18 Other Equity</b>			
General Reserve	18 (i)	2	2
Capital Reserve	18 (ii)	82	82
Securities Premium Reserve	18 (iii)	1,882	902
Retained Earnings	18 (iv)	5,340	3,460
		<b>7,306</b>	<b>4,446</b>
<b>Reserves and surplus</b>			
<u>General reserve</u>			
Balance at the beginning of the year		2	2
Movement during the year		-	-
Balance as at the year end		2	2
<u>Capital reserve</u>			
Balance at the beginning of the year		82	82
Movement during the year		-	-
Balance as at the year end		82	82
<u>Securities premium reserve</u>			
Balance at the beginning of the year		902	902
Movement during the year		980	-
Balance as at the year end		1,882	902
<u>Retained earnings</u>			
Opening Balance at the beginning of the year		3,460	3,630
Add : Profit/(Loss) for the year		1,888	(171)
Items that will not be reclassified to profit or loss :			
- Remeasurement of defined benefit obligation net of taxation		(8)	1
Balance as at the year end		5,340	3,460
		<b>7,306</b>	<b>4,446</b>

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

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

**b) Capital Reserve**

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

**c) Securities Premium**

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

**d) Retained Earnings**

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


**Notes to the financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>19 Non current Borrowings</b>		
Loan from Others (Secured)		
Term Loan (Secured)	192	302
Vehicle loan (Secured)	33	42
Less: Current Maturities (disclosed as Current Borrowing)	(134)	(118)
	<b>91</b>	<b>225</b>
<p>"Loan from a Non banking financial company of Rs. 192 (March 31, 2022 : Rs. 302) carries interest @ 12.50% p.a. The loans are repayable in 60 monthly instalments along with interest starting from October 2019. The loan is secured by hypothecation of fixed assets acquired.</p> <p>Vehicle loan of Rs. 33 (March 31, 2022 : Rs. 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."</p>		
<b>19A Current Borrowings</b>		
Current Maturities of long term borrowings	134	118
	<b>134</b>	<b>118</b>
<b>20 Provisions</b>		
Provision for employee benefits		
Leave encashment (un funded) (Refer Note 40)	33	21
	<b>33</b>	<b>21</b>
<b>21 Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 39)	3	3
Total outstanding dues to Related Party (Refer Note 41)	65	-
Total outstanding dues to others	753	292
	<b>821</b>	<b>295</b>

**Trade Payable Ageing (including capital payables)**

As at March 31, 2023	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>(i) MSME</b>					
- Disputed	-	-	-	2	2
- Undisputed	1	-	-	-	1
<b>(ii) Others</b>					
- Disputed	-	-	-	-	-
- Undisputed	796	23	3	164	986
<b>Total</b>	<b>798</b>	<b>23</b>	<b>3</b>	<b>166</b>	<b>989</b>

As at March 31, 2022	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>(i) MSME</b>					
- Disputed	-	-	-	2	2
- Undisputed	1	-	-	-	1
<b>(ii) Others</b>					
- Disputed	-	-	-	-	-
- Undisputed	305	3	102	61	471
<b>Total</b>	<b>307</b>	<b>3</b>	<b>102</b>	<b>62</b>	<b>474</b>


**Notes to the financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>22 Other financial liabilities</b>		
Interest Accrued but not due	1	1
Unclaimed Dividend ^	32	38
Employee Benefits Payable	72	29
Outstanding liability for expenses	118	51
Trade payable for capital goods (other than small and medium enterprises) (Refer Note 21)		
- Dues to subsidiary (Refer Note 41)	61	60
- Dues to others	107	120
	<b>391</b>	<b>298</b>
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
<b>23 Provisions</b>		
Provision for employee benefits		
- Gratuity (funded) (Refer Note 40)	27	17
- Leave encashment (un funded) (Refer Note 40)	3	17
	<b>30</b>	<b>34</b>
<b>24 Other current liabilities</b>		
Statutory Dues Payable	34	18
Advances from customers	9	20
	<b>43</b>	<b>38</b>


**Notes to the financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>25 Revenue from Operations</b>		
<u>Sale of products (net of sales return)</u>		
Finished goods	9,205	1,610
Traded goods	1,072	484
<u>Services rendered</u>		
Royalty Income - Patent (Refer Note 41)	266	282
Consulting Income	-	4
<u>Other Operating Revenue</u>		
Sale of scrap	7	11
<b>Revenue from Operations</b>	<b>10,551</b>	<b>2,391</b>
<b>Detail of Sale of Products / Services</b>		
<u>Finished goods sold</u>		
Water Soluble Films	2,329	1,587
Anti Counterfeit Products	6,876	23
	<b>9,205</b>	<b>1,610</b>
<u>Traded goods sold</u>		
Cleaning Products	28	3
Biodegradable Resins	1,044	481
	<b>1,072</b>	<b>484</b>
<b>Detail -Geography wise Operations</b>		
Export Sales	1,280	651
Local Sales	9,271	1,740
	<b>10,551</b>	<b>2,391</b>
<b>26 Other Income</b>		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	-	6
From Non-current Equity instruments in Subsidiaries measured at cost (Refer Note 41)	-	406
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	31	32
On Loans and Deposits (Refer Note 41)	255	196
On Others	-	4
Foreign Exchange Gain (net)	6	19
Net Gain on Sale of non-current Investments in Mutual Fund	-	14
Miscellaneous Income	30	19
Provision for doubtful debts and advances Written Back	85	3
Service Fee (Refer Note 41)	4	4
	<b>411</b>	<b>703</b>




**Notes to the financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>27 Cost of Material Consumed</b>		
Inventory at the beginning of the year	372	204
Add: Purchases	5,458	889
Less: Material consumed for trial production	-	85
Less: Inventory at the end of the year	731	372
	<b>5,099</b>	<b>636</b>
<b>28 Change in inventory of finished goods, work-in-progress &amp; stock in trade</b>		
<u>Inventories at the end of the year</u>		
Stock In Trade	-	1
Work-in-progress	335	137
Finished goods	338	52
<u>Inventories at the beginning of the year</u>		
Stock In Trade	1	60
Work-in-progress	137	14
Finished goods	52	31
	<b>(484)</b>	<b>(85)</b>
<b>29 Employees Benefits Expenses</b>		
Salary, Wages and Bonus	799	579
Contribution to Provident and other funds (Refer Note 40)	21	17
Gratuity and Leave Encashment (Refer Note 40)	8	23
Staff welfare expenses	20	20
	<b>848</b>	<b>639</b>
<b>30 Finance Cost</b>		
Interest on Secured Loan	58	48
Processing and Other Charges	23	1
Interest on Lease (Refer Note 3A)	6	3
Others	17	1
	<b>104</b>	<b>53</b>


**Notes to the financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>31 Other Expenses</b>		
Consumption of stores and spares	130	48
Repair and Maintenance - Building	16	12
Repair and Maintenance - Machinery	16	17
Repair and Maintenance - Other	11	18
Rent (Refer Note 37)	3	6
Insurance	24	24
Power and Fuel	520	399
Labour Charges	40	48
Factory Expenses	82	52
Selling and Promotion Expenses	3	2
Freight and Forwarding	117	59
Trial Production Expenses	-	94
Postage and Telephone Expenses	14	12
Printing and Stationery	5	3
Travelling and Conveyance	126	86
Legal and Professional Charges	295	104
Patent Charges	31	21
Patent written off (including under development)	64	-
Donations	11	-
Bad Trade Receivables / Deposits written off	-	21
Provision For Doubtful advances	76	61
Provision for expected credit loss on claims receivable (Refer Note 49)	35	118
Payment to Auditors (Exclusive of Goods and Services tax) (Refer Note 32)	17	17
Corporate Social Responsibility Expense (Refer Note 33)	33	9
Bank Charges	15	16
Commission on Sales	71	23
Net Loss on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through Profit and Loss	-	13
Miscellaneous Expenses	82	16
	<b>1,837</b>	<b>1,297</b>
<b>32 Payment to Auditors (Exclusive of Goods and Services tax)</b>		
<u>As auditor</u>		
Auditors Remuneration	10	10
Tax audit fees	2	2
Limited review fees	5	4
<u>Other Capacity</u>		
Other services (Certification fees)	1	1
	<b>17</b>	<b>17</b>


**Notes to the financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>33 Corporate Social Responsibility Expense</b>		
1. Amount required to be spent by the company during the year (including shortfall for earlier years)	33	5
2. Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	33	9
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	5
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:	-	-
	<b>33</b>	<b>9</b>
<b>34 Income taxes</b>		
<b>a. Income tax expense is as follows:</b>		
<b>Statement of Profit and Loss</b>		
<b>Current tax:</b>		
Tax for the year	655	70
Adjustments for current tax of prior periods	(53)	-
<b>Total current tax expense</b>	<b>602</b>	<b>70</b>
<b>Deferred tax:</b>		
Deferred tax expenses	170	(198)
<b>Total deferred tax expense</b>	<b>170</b>	<b>(198)</b>
<b>Income tax expense</b>	<b>772</b>	<b>(127)</b>
<b>Other comprehensive income</b>		
<b>Deferred tax related to OCI items:</b>		
Net loss on remeasurements of defined benefit plans	(3)	0
	<b>(3)</b>	<b>0</b>


**Notes to the financial statements for the year ended March 31, 2023**

(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, 2023		March 31, 2022	
Profit before tax		2,660		(298)
Tax at the Indian tax rate	29.12%	775	29.12%	(87)
Tax effects on amounts which are not deductible (taxable) in calculating taxable income				
<b>Tax effect of:</b>				
Differences in tax rates in respect of dividend from foreign subsidiary & Short term capital gain on sale of Mutual Fund	0.00%	-	-23.79%	71
Tax adjustment for earlier years	-1.99%	(53)	0.00%	-
Non-deductible expenses	-0.28%	(7)	9.00%	(27)
Others	0.30%	8	11.42%	(34)
	<b>29.03%</b>	<b>772</b>	<b>42.85%</b>	<b>(127)</b>

**c. Deferred Tax Assets (net)**

(i) Movement in deferred tax assets 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	-	4
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	-	-
	<b>(312)</b>	<b>171</b>	<b>(3)</b>	<b>(146)</b>

(ii) Movement in deferred tax liabilities for the year ended March 31, 2022

	Net balance March 31, 2021	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2022
Property, plant and equipment	(10)	(4)	-	(13)
Fair valuation of investments in mutual fund	4	(4)	-	0
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(14)	(17)	0	(31)
Others	(32)	(10)	-	(42)
Brought forward losses	-	(163)	-	(163)
MAT Credit	(63)	-	-	(63)
	<b>(115)</b>	<b>(198)</b>	<b>0</b>	<b>(312)</b>


**Notes to the financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>35 Earnings Per Share</b>		
Calculation of basic and diluted Earnings per share is as follows:		
Profit/ (Loss) for the year attributable to Owners of the Company	1,888	(171)
Weighted average number of equity shares		
- Basic	1,44,20,343	1,40,87,938
- Diluted	1,44,20,343	1,40,87,938
Earnings per share (in ₹)		
- Basic	13.09	(1.21)
- Diluted	13.09	(1.21)

	As at	
	March 31, 2023	March 31, 2022
<b>36 Contingent liabilities and Commitments</b>		
<u>Contingent Liabilities</u>		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 2.50 (Previous year: ₹ 5.33))	74	146
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 13.04 (Previous year: ₹ 13.04))	552	623
(c) Bank Guarantees given	526	486
	1,153	1,256

	As at	
	March 31, 2023	March 31, 2022
<b>37 Leases</b>		
Lease rent expenses for the year	3	6

**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, 2023

(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, 2023	March 31, 2022
The amount remaining unpaid to micro and small suppliers as at the end of the year :		
- Principal	1	2
- Interest	2	1
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	1
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, 2023	March 31, 2022
Employer's Contribution to Provident Fund	19	15
Employer's Contribution to Employees State Insurance Corporation	2	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, 2023**

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

**Reconciliation of the net defined benefit obligation:**

	Year ended	
	March 31, 2023	March 31, 2022
Opening defined benefit obligation	81	74
Benefits paid	(0)	(1)
Current service cost	6	6
Interest cost	6	5
Actuarial losses / (gain) recognized in other comprehensive income		
changes in demographic assumptions	-	(0)
changes in financial assumptions	9	(2)
experience adjustments	3	0
<b>Closing defined benefit obligation</b>	<b>105</b>	<b>81</b>

**Reconciliation of the fair value of plan assets:**

	Year ended	
	March 31, 2023	March 31, 2022
Opening fair value of plan assets	64	58
Interest Income	5	4
Employer contributions	10	4
Benefits paid	(0)	(1)
Actuarial gains on Plan Assets	1	(1)
<b>Closing fair value of plan assets</b>	<b>79</b>	<b>64</b>

**Balance sheet reconciliation**

	As at	
	March 31, 2023	March 31, 2022
Opening defined benefit obligation	81	74
Opening fair value of plan assets	(64)	(58)
Expenses recognised in profit and loss	8	7
Expenses recognised in Other Comprehensive Income	11	(1)
Employer contributions	(9)	(4)
<b>Net (Asset) / Liability recognised in the Balance Sheet</b>	<b>27</b>	<b>17</b>


**Notes to the financial statements for the year ended March 31, 2023**

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

**Expenses recognised in Statement of Profit and Loss:**

	Year ended	
	March 31, 2023	March 31, 2022
Current service cost	6	6
Interest cost	1	1
	<b>8</b>	<b>7</b>

**Remeasurements recognised in other comprehensive income**

	Year ended	
	March 31, 2023	March 31, 2022
Actuarial (gain) loss on defined benefit obligation	12	(2)
Return on plan assets excluding interest income	(1)	1
	<b>11</b>	<b>(1)</b>

**Analysis of plan assets**

	As at	
	March 31, 2023	March 31, 2022
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	<b>100%</b>	<b>100%</b>

**Maturity profile of defined benefit obligation**

	As at	
	March 31, 2023	March 31, 2022
1 Year	26	24
2 to 5 years	18	12
6 to 10 years	50	45
More than 10 years	137	76

**Actuarial assumption**

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

	As at	
	March 31, 2023	March 31, 2022
Discount Rate (p.a.)	7.50%	7.25%
Salary escalation rate (p.a.)	7.00%	5.00%
Expected rate of return on assets	7.50%	7.25%
Attrition rate	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 financial statements for the year ended March 31, 2023

(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, 2023	March 31, 2022
Projected Benefit Obligation on Current Assumptions	105	81
Discount Rate: 1% increase	(7)	(5)
Discount Rate: 1% decrease	9	6
Future salary growth: 1% increase	6	4
Future salary growth: 1% decrease	(6)	(4)
Change in Rate of Employee Turnover : 1% Increase	1	2
Change in Rate of Employee Turnover : 1% Decrease	(1)	(2)

### 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, 2023	March 31, 2022
Compensated absences liability	36	38

### Actuarial assumption

	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.50%	7.25%
Long-term rate of compensation increase	7.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 1 (PY ₹ 16)


**Notes to the financial statements for the year ended March 31, 2023**

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

**41 Related party disclosures**

## a) Related parties and their relations

<b>Name of Related Party</b>	<b>Relationship</b>
Arrow Green Technologies (UK) Limited Arrow Secure Technology Private Limited Avery Pharmaceuticals Private Limited LQ Arrow Security Products (India) Private Limited	Subsidiary Company
Advance IP Technologies Limited 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 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, 2023**

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

**b) Transaction with Related Parties & Outstanding Balance as on March 31, 2023 and March 31, 2022 :**

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b><u>Arrow Green Technologies (UK) Limited</u></b>				
Royalty Income - Patent	145	154	38	-
Sale of Finished Goods	24	14	26	-
Dividend Income	-	406	-	-
<b><u>Advance IP Technologies Limited</u></b>				
Royalty Income - Patent	121	128	32	-
Payable for Purchase of Machinery	-	-	61	60
<b><u>Avery Pharmaceuticals Private Limited</u></b>				
Loan given to Avery Pharmaceuticals Private Limited	468	345	2,415	1,948
Interest on Loan given	255	196	635	407
Sale of Services	4	4	-	-
<b><u>Mr. Shilpan P. Patel</u></b>				
Rent Expenses	13	12	(2)	(0)
<b><u>Arrow Business Advisory Pvt. Ltd.</u></b> (formerly known as Arrow Convertor Pvt. Ltd)				
Rent Expenses	5	5	-	-
<b><u>Advance Business Solutions</u></b>				
Purchase of Raw Material	3,087	-	(65)	-
<b><u>Investment in subsidiaries</u></b>				
Arrow Green Technologies (UK) Limited	-	-	16	16
Avery Pharmaceuticals Private Limited	-	-	25	25
LQ Arrow Security Products (India) Private Limited	-	-	38	38
<b><u>Remuneration to Key Managerial Personnel &amp; Relatives</u></b>				
Mr. Shilpan P. Patel - Managing Director	81	75	-	-
Mr. Neil Patel - Joint Managing Director	81	80	-	-
Mr. Hitesh Punglia - Chief Financial Officer	79	57	-	-
Mrs. Poonam Bansal - Company Secretary	13	11	-	-



## Notes to the financial statements for the year ended March 31, 2023

(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, 2022	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
<b>Financial assets:</b>							
<b>Non Current Financial Assets</b>							
Investments	0	83	-	83	83	-	-
Loans	2,355	-	-	2,355	-	-	-
Other financial asset	40	-	-	40	-	-	-
<b>Current Financial assets</b>							
Trade Receivables	273	-	-	273	-	-	-
Cash and cash equivalents	113	-	-	113	-	-	-
Bank balances other than Cash and cash equivalents	1,003	-	-	1,003	-	-	-
Loans	0	-	-	0	-	-	-
Other financial assets	14	-	-	14	-	-	-
	<b>3,798</b>	<b>83</b>	<b>-</b>	<b>3,880</b>	<b>83</b>	<b>-</b>	<b>-</b>
<b>Non Current Financial liabilities</b>							
Borrowings	225	-	-	225	-	-	-
Lease Liabilities	17	-	-	17	-	-	-
<b>Current Financial liabilities</b>							
Borrowings	118	-	-	118	-	-	-
Trade payables	295	-	-	295	-	-	-
Other financial liabilities	298	-	-	298	-	-	-
Lease Liabilities	9	-	-	9	-	-	-
<b>Total</b>	<b>963</b>	<b>-</b>	<b>-</b>	<b>963</b>	<b>-</b>	<b>-</b>	<b>-</b>


**Notes to the financial statements for the year ended March 31, 2023**

(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
<b>Financial assets:</b>							
<b>Non Current Financial Assets</b>							
Investments	0	8	-	8	8	-	-
Loans	2,976	-	-	2,976	-	-	-
Other financial asset	49	-	-	49	-	-	-
<b>Current Financial Assets</b>							
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	-	-	-
<b>Total</b>	<b>7,429</b>	<b>8</b>	<b>-</b>	<b>7,437</b>	<b>8</b>	<b>-</b>	<b>-</b>
<b>Non Current Financial liabilities</b>							
Borrowings	91	-	-	91	-	-	-
Lease Liabilities	13	-	-	13	-	-	-
<b>Current Financial liabilities</b>							
Borrowings	134	-	-	134	-	-	-
Trade payables	821	-	-	821	-	-	-
Other financial liabilities	391	-	-	391	-	-	-
Lease Liabilities	14	-	-	14	-	-	-
<b>Total</b>	<b>1,464</b>	<b>-</b>	<b>-</b>	<b>1,464</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the reporting period ended 31 March 2023 and 31 March 2022, 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, 2023

(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,
- ii) 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, 2023	March 31, 2022
Less than 180 days	2,072	170
From 181 - 365 days	13	1
More than 365 days	65	241
<b>Total</b>	<b>2,151</b>	<b>412</b>
Less : Provision for Doubtful Debts- op bal	139	139
Reversal of provision for doubtful debts	(60)	-
<b>Total</b>	<b>2,071</b>	<b>273</b>

Expected credit loss assessment for customers as at March 31, 2022 and March 31, 2023

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, 2023

(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
<b>Balance as at April 1, 2021</b>	<b>80</b>
Impairment loss recognised	59
Amounts written off / written back	-
<b>Balance as at March 31, 2022</b>	<b>139</b>
Impairment loss recognised	-
Reversal of Impairment loss on realisation of amount	(60)
<b>Balance as at March 31, 2023</b>	<b>79</b>

### Cash and bank balance

The Company held cash and bank balance with credit worthy banks and financial institutions of ₹ 2,319 lacs and ₹ 1,125 lacs as at March 31, 2023 and March 31, 2022, 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, 2023			As at March 31, 2022		
	Carrying amount	Less than 1 year	1 to 4 years	Carrying amount	Less than 1 year	1 to 4 years
<i>Non derivative</i>						
Borrowing (Including Interest)	249	154	95	403	154	249
Trade payables	821	821	-	295	295	-
Lease Liability	27	14	13	27	9	17
Other financial liabilities	391	391	-	298	298	-
Bank Guarantee given	-	301	225	-	44	442

### 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, 2023

(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	Total
<b>March 31, 2023</b>				
<b>Financial assets</b>				
Trade receivables	234	22	95	351
<b>Net exposure to foreign currency risk (assets)</b>	<b>234</b>	<b>22</b>	<b>95</b>	<b>351</b>
<b>Financial Liabilities</b>				
Trade payables	155	218	192	566
Trade payables for capital Goods	-	-	163	163
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>155</b>	<b>218</b>	<b>355</b>	<b>729</b>
Rupee Conversion Rate	82.17	89.44	101.65	
<b>March 31, 2022</b>				
<b>Financial assets</b>				
Trade receivables	159	21	-	180
<b>Net exposure to foreign currency risk (assets)</b>	<b>159</b>	<b>21</b>	<b>-</b>	<b>180</b>
<b>Financial Liabilities</b>				
Trade payables	162	2	29	193
Trade payables for capital Goods	-	-	159	159
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>162</b>	<b>2</b>	<b>188</b>	<b>352</b>
Rupee Conversion Rate	75.79	84.22	99.46	

### 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, 2023		March 31, 2022	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	0.78	(0.78)	(0.03)	0.03
EUR	(1.96)	1.96	0.19	(0.19)
GBP	(2.60)	2.60	(1.88)	1.88
Increase / (decrease) in profit and loss	(3.78)	3.78	(1.72)	1.72

### 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, 2023

(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, 2023	March 31, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	225	344
<b>Total borrowings</b>	<b>225</b>	<b>344</b>

### 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, 2023	March 31, 2022
<b>Borrowings</b>		
Long term borrowings	91	225
Current maturities of Long term borrowings	134	118
Less: Cash and cash equivalents	(162)	(113)
<b>Adjusted net debt</b>	<b>63</b>	<b>231</b>
<b>Total Equity</b>	<b>8,815</b>	<b>5,855</b>
<b>Adjusted net debt to equity ratio</b>	<b>0.01</b>	<b>0.04</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

### 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, 2023	March 31, 2022
		%	%
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	99
LQ Arrow Security Products (India) Private Limited	India	51	51


**Notes to the financial statements for the year ended March 31, 2023**

(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, 2023	March 31, 2022
		%	%
SP Arrow Bio Polymer Products Private Limited	India	46	46
Sphere Bio Polymer Private Limited	India	49	49

**46 Statement of right issue proceeds**

On March 19, 2020 the Company has allotted 23,47,990 fully paid-up Equity Shares of face value ₹ 10 each ("Equity Shares") at an issue price of ₹ 36/- (including a premium of ₹ 26/- per Equity Share) for cash to the existing equity shareholders in the ratio of 1 (One) fully paid up Equity Shares for every 5 (Five) fully paid Equity Shares held by the existing equity shareholders on Rights basis. There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue. Pursuant to IND AS 33, basic and diluted earnings per share have been adjusted in respect of right issue made during the year ended 31st Mar 2020.

Particulars	Amount as per prospectus	Amount to be utilised
Gross proceeds from right issue	845	845
Less : - Right issue expenses	27	24
Net proceeds from Right issue	818	821

Utilisation of Right issue proceeds

Particulars	Amount to be utilised	Amount utilised	Pending utilisation
Capex for ACT (Anti Counterfiet Thread) Project	100	100	-
Loan to Avery Pharma for Pharma Project	300	300	-
Working Capital Requirement	250	250	-
Other General Corporate uses	171	171	-
<b>Total</b>	<b>821</b>	<b>821</b>	<b>-</b>

**47 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, 2023	March 31, 2022	2022-2023	2021-2022
Avery Pharmaceuticals Private Limited	Direct Subsidiary	3,050	2,355	3,050	2,355
Loan to Avery Pharmaceuticals Limited		3,050			
Provision for doubtful Debts		(74)			
Loan to Avery Pharmaceuticals Limited ( net of Provision)		2,976			

**Notes:**

- Loan is repayable after 18 months from commencement of Commercial production & the interest rate is 10% p.a. ( Previous Year 10% p.a.)
- There are no other loans and advances in the nature of loans where there is no repayment schedule.
- Above figures are including accrued interest
- 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, 2023

(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:

(₹ in '000)

Name of the Company	As At March 31, 2023	As At March 31, 2022	Maximum balance outstanding during the year	Purpose / utilisation by the borrower	Terms and conditions
Avery Pharmaceuticals Private Limited	3,050	2,355	3,050	To Set up Pharmaceutical factory to manufacture Mouth Dissolving Strips & working capital requirement	Loan is repayable after 18 months from Commencement of Commercial production and the interest rate is 10% p.a. (Previous Year 10% p.a)
Mangaldas Finance Limited	-	25	27	To meet working capital requirement	Loan is repayable on demand and the interest rate is 9.8% p.a. (Previous Year 9.8% 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, 2023	March 31, 2022
(a) Current ratio <sup>1</sup>	Current assets over current liabilities	4.15	2.93
(b) Debt-Equity ratio <sup>2</sup>	Debt over total shareholders' equity	0.03	0.06
© Debt Service Coverage ratio <sup>3</sup>	EBIT over current debt	11.28	0.40
(d) Return on Equity ratio <sup>4</sup>	PAT over total average equity	25.75%	-2.88%
(e) Inventory turnover ratio <sup>5</sup>	Sales over average inventory	72.91%	69.45
(f) Trade Receivables turnover ratio <sup>6</sup>	Revenue from operations over average trade receivables	9.00	5.08
(g) Trade payables turnover ratio <sup>7</sup>	Adjusted expenses over average trade payables	9.11	10.40
(h) Net capital turnover ratio <sup>8</sup>	Revenue from operations over working capital	2.34	1.57
(i) Net profit ratio <sup>8</sup>	Net profit over revenue	17.90%	-5.53%
(j) Return on Capital employed <sup>8</sup>	PBIT over capital employed	34.79%	2.41%
(k) Return on investment <sup>9</sup>	Interest income, net gain on sale of investments and fair value gain over average investments	0.00%	6.45%

#### Explanation for variance exceeding 25% :

- 1 Performance of the Company has improved. So the Current ratio has also improved.
- 2 Debt - Equity ratio has improved with infusion of more equity as preferential allotment by promoter and non promoter group.
- 3 With good performance of the Company, the Company's EBITDA has increased considerably, which has resulted in improved Debt service Coverage ratio.
- 4 PAT has improved significantly due to increase in turnover of the Company, which has resulted in to increase in ratio.
- 5 Turnover of the Company has improved considerably. As a result, the inventory turnover ratio has decreased.
- 6 Turnover of the Company has improved considerably. As a result, Debtors turnover ratio has its effect.
- 7 Adjusted Expenses has increased with increase in turnover. Average Trade payables has come down with regular payment, hence payable turnover ratio has improved.
- 8 Improved performance in turnover has resulted in better capital turnover ratio, better return on capital & better profit ratio.
- 9 No dividend received from subsidiary in FY 22-23.



## Notes to the financial statements for the year ended March 31, 2023

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

### 49 Loss by Fire

There was incidence of fire at one of the unit in factory of the Company located at Ankleshwar on October 30, 2019 in which certain property, plant and equipment and inventories were damaged and destroyed. The Company had duly filed its insurance claim. Pending finalisation of insurance claim, the Company had written off inventories and written down the value of property, plant and equipment of ₹ 295 and ₹ 349, respectively and recognised an insurance claim of ₹ 612. The Company had received amount of ₹ 363 on February 11, 2022 and ₹ 12 towards salvage value of materials. Consequently, ₹ 224 was pending to be received from the insurance company as on March 31, 2022, out of which the Company has accepted loss of claim of ₹ 82 and written off the same in the books of account on March 31, 2022. The Company had made application with insurance company on March 18, 2022 for considering the balance claim of ₹ 142, which was ex-parte rejected by the insurance company on April 29, 2022. The Company had re-lodged the claim with insurance company on May 6, 2022, hearing of which is under progress. The Company is confident of recovery of the balance claim of ₹ 142. However, on prudence basis, provision of ₹ 71 has been made.

### 50 Investment in Subsidiary company

The Company has made investment of ₹ 25 in Avery Pharmaceuticals Private Limited (Subsidiary Company) and granted loan (including interest) of ₹ 3,050 to said subsidiary company. Net worth of subsidiary company as at March 31, 2023 is negative. The Company has obtained fair valuation of the said subsidiary company from the independent external valuer company as at March 31, 2023. Based on the fair valuation report and approved business operation plan, the management does not expect any major impairment in the value of investment in subsidiary as required under IND AS 27 "Separate Financial Statements". A provision of ₹ 74 for expected credit loss has however been provided as required under IND AS 109 "Financial instruments".

### 51 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.





## Notes to the financial statements for the year ended March 31, 2023

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

- 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
- 52 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.
- 53 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
- 54 The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on May 27, 2023.
- 55 The Board of Directors have recommended a dividend of ₹ 1/- per Equity Share of ₹ 10/- each (10%) for the year ended March 31, 2023, which is subject to approval of shareholder's in ensuing Annual General Meeting.
- 56 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 27, 2023

**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 Ind AS Financial Statements****Opinion**

We have audited the accompanying consolidated Ind AS financial statements of Arrow Greentech Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associates comprising of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards (“Ind AS”) prescribed under section 133 of the Act, 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, 2023, 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 Ind AS Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

**Emphasis of Matter**

We draw attention to Note 49 to the consolidated Ind AS financial statements regarding non provision for fire insurance claim by the Holding Company of Rs. 70.77 lakhs (net), being rejected by Insurance Company. The Holding Company has filed application with insurance company for claiming balance insurance claim. Pending disposal of application filed with insurance company, the Holding Company management is hopeful of realization of balance claim amount and no further provision is considered necessary in this regard.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.



Sr. No.	Key audit matters	How our audit addressed the key audit matters
1	<p><b>Recoverability and Valuation of Allowance for impairment of Insurance claim (Refer Note 49 of consolidated Ind AS financial statements)</b></p> <p>There was incidence of fire at one of the unit in factory of the Holding Company located at Ankleshwar on October 30, 2019 in which certain property, plant and equipment and inventories were damaged and destroyed. The Holding Company had duly filed its insurance claim. Claim of Rs. 611.74 lakhs was made in the books against which the Holding Company has received partial claim amount in tranches and some claim amount was written off as non-recoverable. The Holding Company has an insurance claim of Rs. 141.61 lakhs as on March 31, 2023. Pending settlement of claim, the Holding Company has made provision of Rs. 70.84 lakhs and expects to realise balance claim amount.</p> <p>We focused on this area due to the significance of management judgments adopted in assessing the recoverability of claim amount and determination of expected credit loss.</p>	<p><b>Our audit procedures included:</b></p> <p>a) Evaluated the design and implementation of the control relating to management's assessment of the recoverability and determination of expected credit loss of insurance claim and insurance claim.</p> <p>b) Tested the operating effectiveness of control relating to management's assessment of recoverability of insurance claim and determination of expected credit loss of insurance claim.</p> <p>c) Evaluated reasonableness of the method, exemptions and judgements used by the management with respect to recoverability and determination of expected credit loss of overdue insurance claim.</p> <p>d) Obtained the claim filed by the Holding Company, reviewed the final insurance claim report and submission made by the Holding Company for the claim portion rejected by the insurance company. Also, verified the realisability of balance claim amount with source documents and submissions made by the Holding Company to support the conclusion.</p> <p>e) Evaluated the simplified approach applied by the Holding Company to identify lifetime expected credit losses. In doing so, tested the historical provision rates and an evaluation was carried out for the need for it to be adjusted to reflect relevant, reasonable and supportable information about expected recoveries in the future.</p>

#### 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 Directors' Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

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

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

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

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 and are responsible for overseeing the financial reporting process of the Group and of its associates.

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary companies and associate companies, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

**Other Matters**

- (a) We did not audit the Ind AS financial statements of five subsidiaries (including one step down subsidiary), whose Ind AS financial statements reflects total assets of Rs. 5,156.03 Lakhs and net assets of Rs. 1,456.78 Lakhs as at March 31, 2023, total revenues of Rs. 615.52 Lakhs and net cash outflow amounting to Rs. 345.59 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include Group's share of net profit of Rs. Nil for the year ended March 31, 2023, as considered in the consolidated Ind AS financial statements, in respect of two associates, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.



Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditor 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 auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- (b) We did not audit the Ind AS financial statements of one step down subsidiary, whose Ind AS financial statements reflects total assets of Rs. 3.42 Lakhs and net assets of Rs. Nil as at March 31, 2023, total revenues of Rs. Nil and net cash inflows amounting to Rs. 3.42 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited Ind AS financial statements. In our opinion and according to the information and explanations given to us by the management, the Ind AS financial statements are not material to the Group including its associates.

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

#### **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 taking into consideration the reports of other auditors on separate Ind AS financial statements of subsidiaries and associates, included in the consolidated Ind AS 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.
- (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 Ind AS financial statements and the other financial information of subsidiaries and associates, as noted in the Other Matters section above we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 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 and its associate companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";
  - 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;

- 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 45 to the consolidated Ind AS financial statements;
- (ii) The Group and its associates did not have any material foreseeable losses on long term contracts including derivative contracts;
- (iii) There 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 Ind AS financial statements of the Holding Company and consideration of reports of the other auditors on separate Ind AS 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 Ind AS 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, its associates and joint ventures (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iv) (b) Based on our audit report on separate Ind AS financial statements of the Holding Company, and consideration of reports of the other auditors on separate Ind AS 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 Ind AS 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;
- (iv) (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 Ind AS 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 55 to the consolidated Ind AS financial statements:
  - (a) The 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.  
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) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

\_\_\_\_\_  
**Snehal Shah**  
**Partner**  
**Membership No.048539**  
**UDIN: 23048539BGYHUS7809**  
**Place: Mumbai**  
**Date: May 27, 2023**



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the consolidated Ind AS financial statements for the year ended March 31, 2023]

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Arrow Greentech Limited ("Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Ind AS financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India 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 Ind AS financial statements of Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS 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 Ind AS 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 Ind AS financial statements of Holding Company, its subsidiary companies and its associate companies.

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

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

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

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



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid reports under section 143(3)(l) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to three subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

\_\_\_\_\_  
**Snehal Shah**  
**Partner**  
**Membership No.048539**  
**UDIN: 23048539BGYHUS7809**  
**Place: Mumbai**  
**Date: May 27, 2023**



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

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

Particulars	Notes	As at	
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,346	2,344
Right of Use assets	3A	86	100
Capital work-in-progress	3B	18	1,240
Other Intangible assets	3	243	337
Intangible assets under development	3	98	102
Investment Property	4	12	12
<b>Financial assets</b>			
(i) Investments	5	44	118
(ii) Other Financial Asset	6	66	64
Deferred Tax Assets (Net)	33C	457	429
Income tax assets (Net)	7	-	77
Other non - current assets	8	102	141
<b>Total Non - current assets</b>		<b>4,472</b>	<b>4,964</b>
<b>Current assets</b>			
Inventories	9	1,498	673
<b>Financial assets</b>			
(i) Trade Receivables	10	2,628	365
(ii) Cash and cash equivalents	11	706	981
(iii) Bank balances other than (ii) above	12	2,184	1,057
(iv) Loans	13	1	0
(v) Other financial assets	14	23	15
Other current assets	15	634	810
<b>Total current assets</b>		<b>7,674</b>	<b>3,901</b>
<b>TOTAL ASSETS</b>		<b>12,146</b>	<b>8,865</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	16	1,509	1,409
Other Equity	17	8,311	6,060
<b>Equity attributable to owners</b>		<b>9,820</b>	<b>7,469</b>
Non controlling interest	44	208	210
<b>Total Equity</b>		<b>10,028</b>	<b>7,679</b>
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	18	91	225
(ii) Lease Liabilities	3A	94	110
Income tax liabilities (Net)	7A	225	-
Provisions	19	33	21
<b>Total Non current Liabilities</b>		<b>443</b>	<b>356</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	18A	134	118
(ii) Trade payables	20		
- Total outstanding dues to Micro and Small Enterprises		3	4
- Total outstanding dues to others		1,013	314
(iii) Other financial liabilities	21	398	289
(iv) Lease Liabilities	3A	26	19
Provisions	22	30	35
Other current liabilities	23	71	51
<b>Total current Liabilities</b>		<b>1,675</b>	<b>830</b>
<b>Total Liabilities</b>		<b>2,118</b>	<b>1,186</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,146</b>	<b>8,865</b>
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements (1-56)

### As Per our report of even date

#### For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

**Snehal Shah**

Partner

Membership No. 048539

Place : Mumbai

Date : May 27, 2023

#### 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, 2023

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

Particulars	Notes	Year ended	
		March 31, 2023	March 31, 2022
<b>INCOME</b>			
Revenue from operations	24	10,877	3,367
Other Income	25	235	169
<b>Total Income</b>		<b>11,112</b>	<b>3,536</b>
<b>EXPENSES</b>			
Cost of raw materials consumed	26	5,107	636
Purchase of stock-in-trade		805	1,393
Change in inventory of finished goods, work-in-progress and stock in trade	27	(483)	(93)
Employee benefits expense	28	1,076	709
Finance Costs	29	115	66
Depreciation and amortisation expense	3-4	668	470
Other expenses	30	2,021	1,455
<b>Total Expenses</b>		<b>9,309</b>	<b>4,636</b>
<b>Profit/(Loss) before tax</b>		<b>1,803</b>	<b>(1,100)</b>
<b>Income tax expense</b>	33		
Current Tax		655	70
Adjustment of tax relating to earlier periods (net)		(53)	-
Deferred Tax		(25)	(244)
<b>Total tax expense</b>		<b>577</b>	<b>(174)</b>
<b>Profit/(Loss) after tax</b>		<b>1,226</b>	<b>(926)</b>
<b>Other comprehensive income :</b>			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		50	(34)
(ii) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations gains / (loss)		12	(1)
- Income tax relating to the above items		(4)	0
		8	(1)
Other comprehensive income for the year, net of tax		42	(33)
<b>Total comprehensive income for the year</b>		<b>1,268</b>	<b>(959)</b>
<b>Profit attributable to:</b>			
Owners of equity		1,228	(933)
Non-controlling interest	44	(2)	7
<b>Total comprehensive income attributable to:</b>		<b>1,226</b>	<b>(926)</b>
Owners of equity		1,270	(966)
Non-controlling interest		(2)	7
<b>Earnings per equity share</b>		<b>1,268</b>	<b>(959)</b>
Basic and Diluted [Nominal value of the shares ₹. 10 (March 31, 2022 : ₹. 10)]	34	8.52	(6.62)

The accompanying notes are an integral part of these financial statements (1-56)

### As Per our report of even date

#### For Haribhakti & Co LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

#### Snehal Shah

Partner  
Membership No. 048539

Place : Mumbai  
Date : May 27, 2023

#### 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, 2023

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

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Operating activities</b>		
Profit / (Loss) before tax after exceptional items	1,803	(1,100)
<u>Adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation	668	470
Fair value gain on non-current investments	(0)	12
Exchange differences on translation of assets & liabilities	50	(14)
Unrealised Foreign Exchange gain	(7)	16
Provision For Doubtful Debts	(60)	59
Provision For Doubtful Advances	11	138
Sundry balances (written back)/ written off	29	2
Finance Cost	115	66
Net gain on sale of Long term Investments	-	(29)
Interest Income	(36)	(39)
Dividend Income	(1)	(7)
Patent Development Expenses written off	64	-
	<b>2,636</b>	<b>(426)</b>
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in Loans and Advances	(1)	2
Decrease/ (Increase) in non-current assets	(3)	412
Decrease / (Increase) in trade receivables	(2,206)	276
Decrease/ (Increase) in current assets	176	287
Decrease/ (Increase) in Inventories	(825)	(297)
Increase/ (Decrease) in provisions	(4)	9
Increase/ (Decrease) in trade payables	707	103
Increase/ (Decrease) in other financial Liabilities	115	(134)
Increase/ (Decrease) in other Liabilities	12	1
Increase/ (Decrease) in other Financial Assets	(8)	2
	598	234
Income tax (paid)/ refund received	(300)	5
<b>Net Cash Flow from operating activities</b>	<b>(A) 298</b>	<b>239</b>
<b>Investing activities</b>		
Purchase of Property, plant and equipment including CWIP	(398)	(869)
Maturity of mutual fund investment, net	74	769
(Investments in)/maturity of Bank deposits	(1,127)	(159)
Dividend Received	1	7
Share Application money pending allotment	-	(8)
Interest Received	36	36
<b>Net cash flows from investing activities</b>	<b>(B) (1,414)</b>	<b>(225)</b>
<b>Financing activities:</b>		
Proceeds from Long term Borrowing	730	50
Repayment of Long term Borrowing	(848)	(126)
Finance cost Paid	(115)	(66)
Dividend paid, including dividend tax	(6)	(20)
Proceeds from issue of shares	1,080	-
<b>Net cash (used in) financing activities</b>	<b>(C) 840</b>	<b>(162)</b>
<b>Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)</b>	<b>(275)</b>	<b>(147)</b>
Effect of exchange difference on Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the year	981	1,128
Cash and Cash equivalents taken over as per the scheme		
<b>Cash and Cash equivalents at the end of the year (refer note - 11)</b>	<b>706</b>	<b>981</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Components of cash and cash equivalents</b>	1	4
Remittance in Transit		
<b>Balances with Banks</b>		
In Current Accounts	697	977
Deposits with original maturity of less than 3 months	8	-
Cash and Cash equivalents at the end of the year	<b>706</b>	<b>981</b>

Particulars	Balance as at 01-Apr-22	Cash flows	Other adjustments	Balance as at 31-Mar-23
Non current borrowings (including Current Maturity), refer note 18 & 18A	343	(118)	-	225
Current borrowings	-	-	-	-
<b>Total</b>	<b>343</b>	<b>(118)</b>	<b>-</b>	<b>225</b>

Particulars	Balance as at 01-Apr-21	Cash flows	Other adjustments	Balance as at 31-Mar-22
Non current borrowings (including Current Maturity), refer note 18 & 18A	397	(76)	22	343
Current borrowings	-	-	-	-
<b>Total</b>	<b>397</b>	<b>(76)</b>	<b>22</b>	<b>343</b>

### Notes:

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

The accompanying notes are an integral part of these financial statements (1-56).

### As Per our report of even date

#### For Haribhakti & Co LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

#### Snehal Shah

Partner  
Membership No. 048539

Place : Mumbai  
Date : May 27, 2023

#### 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, 2023

(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, 2023		As at March 31, 2022	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Balance at the beginning	1,40,87,938	1,409	1,40,87,938	1409
Changes in equity share capital (Preferential issue) during the year (Refer Note 16 (e))	10,00,000	100	-	-
<b>Balance at the end</b>	<b>1,50,87,938</b>	<b>1,509</b>	<b>1,40,87,938</b>	<b>1,409</b>

### b. Other Equity

	Attributable to owners							
	Reserves and Surplus			Other Reserves				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	Total other equity	Non Controlling interest	Total
<b>Balance at March 31, 2021</b>	<b>902</b>	<b>82</b>	<b>2</b>	<b>5848</b>	<b>212</b>	<b>7046</b>	<b>204</b>	<b>7,250</b>
Profit / (Loss) for the year	-	-	-	(933)	-	(933)	7	(926)
Other comprehensive income (net of tax)	-	-	-	1	(34)	(33)	-	(33)
Dividends	-	-	-	(20)	-	(20)	-	(20)
<b>Balance at March 31, 2022</b>	<b>902</b>	<b>82</b>	<b>2</b>	<b>4,896</b>	<b>178</b>	<b>6,060</b>	<b>210</b>	<b>6,271</b>
Profit / (Loss) for the year	-	-	-	1,228	-	1,228	(2)	1,226
Premium on Issue -Equity Shares (Preferential) (Refer Note 16 (e))	980	-	-	-	-	980	-	980
Other comprehensive income (net of tax)	-	-	-	(8)	50	42	-	42
Dividends	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2023</b>	<b>1,882</b>	<b>82</b>	<b>2</b>	<b>6,116</b>	<b>228</b>	<b>8,311</b>	<b>208</b>	<b>8,519</b>

The accompanying notes are an integral part of these financial statements (1-56).

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

#### For Haribhakti & Co LLP

Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

#### Snehal Shah

Partner  
Membership No. 048539

Place : Mumbai

Date : May 27, 2023

#### 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 Consolidated Financial Statements for the year ended March 31, 2023**  
(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. Significant Accounting Policies**

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

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

These Consolidated Ind AS Financial Statements ("Consolidated Financial Statements") of the Company. 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 27, 2023.

**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 2 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 of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

**v) Transactions eliminated on consolidation**

Intra-group balance and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

**C Revenue Recognition**

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

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

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

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

**D Property, Plant and Equipment, Depreciation and Impairment:**

**i) Recognition and measurement:**

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



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

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

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

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

**ii) Depreciation:**

Depreciation on Property, Plant and Equipment has been provided on written down value basis and manner prescribed in Schedule II to the Companies Act 2013. Leasehold Land on a straight line basis over the period of lease i.e. 99 years

**iii) Intangible Assets**

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

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

**iv) Capital work in Progress**

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

**E Investment Property**

Investment property is property (land or a building or part of a building or both) held either to earn rental income or for capital appreciation or for both, but neither for sale in the ordinary course 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 (FVOCI). Loss allowances on trade receivables are measured following the ‘simplified approach’ at an amount equal to the lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 month ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

### **ii) Non-financial assets**

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

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

## **H Investments:**

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

## **I Inventories:**

i) Raw Materials, packing materials, Stores and Spares are valued at lower of cost arrived on First In First Out method (FIFO) and Net Realisable Value. Cost of raw materials comprises cost of purchases.

ii) Work-in-progress and Finished Goods are valued at lower of cost and Net Realisable Value. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

iii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a FIFO basis.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **J Employee benefits:**

### **i) Short Term Obligations:**

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

### **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, IND AS 116 is applied only to contracts that were previously identified as leases under INDAS 17.
- 4) Excluding initial direct costs for the measurement of right to use of asset at the date of initial application.

## **L Foreign Currency Transactions / Translations**

### **i) Transactions and balances**

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

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

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

### **ii) Foreign Operations**

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of 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

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2023.

➤ **Amendment to Ind AS 1 "Presentation of Financial Instruments"**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

➤ **Amendment to Ind AS 12 "Income Taxes"**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### **Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements



**Notes to the Consolidated Financial Statements for the year ended March 31, 2023**  
(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 31st March, 2023
	Carrying amount as at April 01, 2022	Additions during the year	Disposal during the year	Translation adjustments	As at 31st March, 2023	Up to April 01, 2022	Disposal during the year	Translation adjustments	
<b>A Property, plant and equipment</b>									
Leasehold Land	31	-	-	-	31	2	-	-	2
Building	1,402	213	-	27	1,641	242	61	4	307
Plant and Equipment	2,445	1,140	(0)	-	3,585	1,391	423	-	1,814
Furniture and Fixtures	38	80	-	-	118	38	19	-	57
Electrical Installation	58	92	-	-	151	36	21	-	57
Motor Car	94	-	-	-	94	44	15	-	59
Office Equipment	56	9	-	-	65	42	11	-	53
Computer	62	8	-	0	70	50	11	0	62
Office Building(Refer note 1)	2	-	-	-	2	1	0	-	1
<b>Total A</b>	<b>4,188</b>	<b>1,542</b>	<b>(0)</b>	<b>27</b>	<b>5,757</b>	<b>1,844</b>	<b>562</b>	<b>4</b>	<b>2,411</b>
<b>B Capital work-in-progress</b>									
Patent rights	1,240	154	(1,376)	-	18	-	-	-	-
<b>Total B</b>	<b>1,240</b>	<b>154</b>	<b>(1,376)</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C Intangible assets</b>									
Patent rights	522	10	-	7	539	185	78	4	296
<b>Total C</b>	<b>522</b>	<b>10</b>	<b>-</b>	<b>7</b>	<b>539</b>	<b>185</b>	<b>78</b>	<b>4</b>	<b>296</b>
<b>D Intangible assets under development</b>									
Patent rights	56	33	-	-	89	-	-	-	35
Product Development	47	1	(4)	(0)	44	-	-	-	44
<b>Total D</b>	<b>102</b>	<b>34</b>	<b>(4)</b>	<b>(0)</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>
<b>Total (A+B+C+D)</b>	<b>6,052</b>	<b>1,739</b>	<b>(1,380)</b>	<b>34</b>	<b>6,446</b>	<b>2,029</b>	<b>640</b>	<b>8</b>	<b>2,742</b>

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 - ₹. 0.2 lac (P.Y - Plant and Equipment ₹. 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, 2023**  
(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, 2022		
	Carrying amount as at April 01, 2021	Additions during the year	Disposal during the year	Translation adjustments	As at March 31, 2022	Up to April 01, 2021		Disposal during the year	Translation adjustments
<b>A Property, plant and equipment</b>									
Leasehold Land	31	-	-	-	31	2	0	-	2
Building	1,321	90	-	(8)	1,402	191	45	-	242
Plant and Equipment	2,257	188	-	-	2,445	1,096	295	-	1,391
Furniture and Fixtures	38	0	-	-	38	33	5	-	38
Electrical Installation	58	-	-	-	58	28	8	-	36
Motor Car	32	62	-	-	94	25	18	-	44
Office Equipment	50	5	-	-	56	34	8	-	42
Computer	55	7	-	-	62	42	8	-	50
Office Building	2	-	-	-	2	0	0	-	1
<b>Total A</b>	<b>3,845</b>	<b>351</b>	<b>-</b>	<b>(8)</b>	<b>4,188</b>	<b>1,452</b>	<b>387</b>	<b>-</b>	<b>1,844</b>
<b>B Capital work-in-progress</b>									
	1,088	152	-	-	1,240	-	-	-	-
<b>Total B</b>	<b>1,088</b>	<b>152</b>	<b>-</b>	<b>-</b>	<b>1,240</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C Intangible assets</b>									
Patent rights	214	307	-	1	522	126	59	-	185
<b>Total C</b>	<b>214</b>	<b>307</b>	<b>-</b>	<b>1</b>	<b>522</b>	<b>126</b>	<b>59</b>	<b>-</b>	<b>185</b>
<b>D Intangible assets under development</b>									
Patent rights	37	19	-	-	56	-	-	-	-
Product Development	44	3	-	(0)	47	-	-	-	-
<b>Total D</b>	<b>81</b>	<b>22</b>	<b>-</b>	<b>(0)</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C+D)</b>	<b>5,228</b>	<b>832</b>	<b>-</b>	<b>(7)</b>	<b>6,052</b>	<b>1,578</b>	<b>446</b>	<b>-</b>	<b>2,029</b>

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 - Plant and Equipment ₹. 32).

(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, 2023**

(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, 2023**

The balance sheet shows the following amounts relating to leases :

<b>Right to use assets</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Lease hold land/building	86	100
<b>Total</b>	<b>86</b>	<b>100</b>

<b>Lease liabilities</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Current	26	19
Non - Current	94	110
<b>Total</b>	<b>120</b>	<b>129</b>

**(ii) Amounts to be recognised in Consolidated 'Statement of Profit and Loss for the year ended March 31, 2023**

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

<b>Depreciation</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Lease hold land/building	28	24
<b>Total</b>	<b>28</b>	<b>24</b>

Interest expenses on lease liabilities (included in finance cost) Rs. 17 (March 31, 2022 : Rs. 15 )

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

<b>Particulars</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Operating cash flows : Interest expenses	17	15
Lease Liabilities Paid	52	49
<b>Total</b>	<b>69</b>	<b>65</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

**3B Capital WIP Ageing Schedule**

As at March 31, 2023	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years*	Total
<b>Tangible Assets</b>					
Project in Progress	3	15	-	-	18
Projects temporarily suspended	-	-	-	-	-
	<b>3</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>18</b>
<b>Intangible Assets</b>					
Project in Progress	33	15	1	49	98
Projects temporarily suspended	-	-	-	-	-
	<b>33</b>	<b>15</b>	<b>1</b>	<b>49</b>	<b>98</b>

\* The Projects in progress for more than 3 years will be capitalized by March 31, 2024

As at March 31, 2022	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years^	Total
<b>Tangible Assets</b>					
Project in Progress	152	198	802	88	1,240
Projects temporarily suspended	-	-	-	-	-
	<b>152</b>	<b>198</b>	<b>802</b>	<b>88</b>	<b>1,240</b>
<b>Intangible Assets</b>					
Project in Progress	22	3	3	75	102
Projects temporarily suspended	-	-	-	-	-
	<b>22</b>	<b>3</b>	<b>3</b>	<b>75</b>	<b>102</b>

**Note**

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



**Notes to the financial statements for the year ended March 31, 2023**  
(All amounts in Indian rupees in lakhs unless otherwise stated)

**4 Investment Property**

	Gross carrying amount			Accumulated depreciation / amortisation			Carrying amount		
	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		Disposal during the year	Up to March 31, 2023
Guest House	17	-	-	17	4	1	-	5	12
<b>Total</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>5</b>	<b>12</b>

	Gross carrying amount			Accumulated depreciation / amortisation			Carrying amount		
	Carrying amount as at April 01, 2021	Additions during the year	deletion during the year	As at March 31, 2022	Up to April 01, 2021	Charge for the year		Disposal during the year	Up to March 31, 2022
Guest House	17	-	-	17	4	1	-	4	12
<b>Total</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>12</b>

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

	As at March 31, 2023	As at March 31, 2022
Depreciation	1	1
<b>Profit / (loss) from investment property</b>	<b>(1)</b>	<b>(1)</b>
<b>(ii) Fair value</b>		
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 ₹. 25.62 Lacs. The valuation model has considered various input like cost, location, market appreciation, etc.




**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

**5 Investments**

	As at			
	March 31, 2023		March 31, 2022	
	Nos.	Amount	Nos.	Amount
<u>Investment in Equity instruments of Associates (Unquoted)</u> (Fully paid up) (Trade)				
Equity shares of SPArrow Bio-Polymer Products (P) Ltd of face value ₹ 10 each (46% holding)	4,600	-	4,600	-
Equity shares of Sphere Bio-Polymers (P) Ltd of face value ₹ 10 each (49% holding)	4,900	-	4,900	-
<b>Investments</b> <u>in Equity Instruments (Unquoted), (Fully Paid). Non-Trade,</u> <u>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	
Investment in Shares - Aquasam Limited, UK		15		15
Equity Shares of GBP 1 each	250		250	
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		29		103
		44		118
Aggregate amount of quoted investments and market value thereof		29		103
Aggregate amount of unquoted investments		15		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, 2023		March 31, 2022	
	Units	Amount	Units	Amount
ICICI Prudential Savings Fund - Daily Dividend	1,951	2	72,784	77
HDFC Liquid Fund- Regular Plan - Growth	134	6	134	6
ICICI Prudential Equity Arbitrage Fund-Dividend	1,45,397	21	1,45,397	20
		29		103


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>6 Other financial asset</b>		
Fixed deposits with Bank (maturity more than 12 months) *	9	9
Security deposits - (Unsecured, considered good)	59	46
Less: Allowance for Doubtful	(2)	-
Share application money pending allotment in subsidiary company (Refer Note 40)	-	8
	<b>66</b>	<b>64</b>
*Held as lien by bank against bank guarantee/Security Deposit of Mar 31, 2023 ₹ 9 ; Mar 31, 2022 ₹ 9 The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good		
<b>7 Income tax assets (Net)</b>		
Advance Income Tax(Net of Provision for Taxation of March 31, 2022 ₹ 804)	-	77
	<b>-</b>	<b>77</b>
<b>7A Income tax liabilities (Net)</b>		
Provision for Income Tax(Net of advance tax of ₹ 1,192 March 31, 2023 )	225	-
	<b>225</b>	<b>-</b>
<b>8 Other non - current assets</b>		
<u>Unsecured, considered good</u>		
Capital advances	31	34
Insurance Claim Receivable (Refer Note 49)	142	142
Less: Allowance for doubtful receivable	(71)	(35)
Prepaid expenses	-	0
	<b>102</b>	<b>141</b>
<b>9 Inventories</b>		
<u>Raw materials and components:</u>		
Polyvinyl Alcohol	224	257
Coatings & Additives	424	92
Substrates	86	20
Others	23	26
<b>Total</b>	<b>757</b>	<b>395</b>
<u>Work in progress:</u>		
Water Soluble Films	26	137
Anti Counterfeit Products	309	3
<u>Finished goods:</u>		
Water Soluble Films	111	70
Anti Counterfeit Products	256	8
<u>Stock in trade</u>		
Cleaning products	-	0
Bioplast	0	0
Stores and spares	<b>38</b>	<b>59</b>
	<b>1,498</b>	<b>673</b>

Stock in Trade Bioplast in Absolute Figures for March 31 , 2023 ₹ 18,626 ( March 31, 2022 - ₹ 37,113)


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>10 Trade Receivables</b>		
<u>Unsecured</u>		
Dues from trade receivables considered good	2,628	365
Dues from trade receivables considered doubtful	80	139
Less: Allowance for doubtful debts	(80)	(139)
	<b>2,628</b>	<b>365</b>

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, 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	-	36	56
(iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Doubtful	-	-	-	-	-	24	24
<b>Total (A)</b>	<b>185</b>	<b>1,851</b>	<b>606</b>	<b>5</b>	<b>-</b>	<b>60</b>	<b>2,708</b>
<b>Allowance for expected credit loss</b>	<b>-</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>-</b>	<b>60</b>	<b>80</b>
<b>Total (B)</b>	<b>-</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>-</b>	<b>60</b>	<b>80</b>
<b>TOTAL [(A)- (B)]</b>	<b>185</b>	<b>1,842</b>	<b>600</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>2,628</b>
<b>Percentage of expected credit loss followed for each bracket</b>	<b>0%</b>	<b>1%</b>	<b>1%</b>	<b>79%</b>	<b>0%</b>	<b>100%</b>	

As at March 31, 2022	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	134	117	6	108	-	-	365
(ii) Undisputed Trade Receivable - Considered Doubtful	-	6	0	75	0	33	115
(iii) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Doubtful	-	-	-	-	24	-	24
<b>Total (A)</b>	<b>134</b>	<b>123</b>	<b>6</b>	<b>183</b>	<b>25</b>	<b>33</b>	<b>504</b>
<b>Allowance for expected credit loss</b>	<b>-</b>	<b>6</b>	<b>0</b>	<b>75</b>	<b>24</b>	<b>33</b>	<b>139</b>
<b>Total (B)</b>	<b>-</b>	<b>6</b>	<b>0</b>	<b>75</b>	<b>24</b>	<b>33</b>	<b>139</b>
<b>TOTAL [(A)- (B)]</b>	<b>134</b>	<b>117</b>	<b>6</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>365</b>
<b>Percentage of expected credit loss followed for each bracket</b>	<b>0%</b>	<b>5%</b>	<b>5%</b>	<b>41%</b>	<b>99%</b>	<b>100%</b>	


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>11 Cash and cash equivalents</b>		
<b>Balance with bank:</b>		
On current accounts	697	977
Deposits with original maturity of less than 3 months**	8	-
Cash on hand	1	4
	<b>706</b>	<b>981</b>
*** Held as lien by Bank against Bank Guarantee for March 31, 2023- Nil, March 31,2022- Nil		
The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good"		
<b>12 Bank balances other than cash and cash equivalents</b>		
Unclaimed Dividend Account	32	38
Employer Gratuity Account	2	1
Deposits with maturity of more than 3 months but less than 12 months**	2,150	1,018
	<b>2,184</b>	<b>1,057</b>
**Held as lien by bank against bank guarantee of Mar 31, 2023 ₹ 312, Mar 31, 2022 ₹ 960 The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good"		
<b>13 Loans</b>		
<u>Unsecured, considered good</u>		
Loan to Employees (Repayable on demand)	1	0
Less: Allowance for doubtful debts	(0)	-
Loan to Other considered doubtful	-	25
Less: Allowance for doubtful debts	-	(25)
	<b>1</b>	<b>0</b>
<b>14 Other financial assets</b>		
<u>Unsecured, considered good</u>		
Interest accrued on deposits with bank	7	6
Export benefit receivable	16	9
	<b>23</b>	<b>15</b>
<b>15 Other current assets</b>		
<u>Unsecured, considered good unless stated otherwise</u>		
Advance to suppliers	364	423
Prepaid expenses	21	16
Advance to employees	5	5
Balance with Government authorities	244	366
	<b>634</b>	<b>810</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

**16 Equity share capital**
**a) Equity share capital**

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<u>Authorised share capital</u> Equity shares of ₹. 10 each	1,75,00,000	1,750	1,50,00,000	1,500
<u>Issued, Subscribed and Paid Up :</u> Equity shares of ₹. 10 each fully paid	1,40,87,938	1,409	1,40,87,938	1,409
Equity shares of ₹. 10 each fully paid, Preferential issue (Refer note 16 (e))	10,00,000	100	-	-
	<b>1,50,87,938</b>	<b>1,509</b>	<b>1,40,87,938</b>	<b>1,409</b>

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year (Refer note no. 50) Equity shares of ₹ 10 each fully paid, Preferential issue (Refer note 16(e))	1,40,87,938	1,409	1,40,87,938	1,409
	10,00,000	100	-	-
Outstanding at the end of the year	<b>1,50,87,938</b>	<b>1,509</b>	<b>1,40,87,938</b>	<b>1,409</b>

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

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

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- d) Pursuant to resolution passed at the meeting of the Board of Directors on Company held on October 17, 2022, the members of the Company be and is hereby accorded to increase the existing Authorised share capital of the Company of ₹ 15,00 divided into 1,50,00,000 equity shares of face value of ₹. 10 each to ₹ 17,50 divided into 1,75,00,000 equity shares of face value of ₹. 10 each.
- e) Pursuant to resolution passed at the meeting of the Board of Directors on Company held on October 17, 2022, the Company has issued and allotted, on preferential basis 10,00,000 equity shares of face value of Rs. 10/- each at a price of Rs. 108/- (including securities premium of Rs. 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 for working capital purpose and kept in fixed deposits.

Particulars	Amount
Total Fund raised from issue of Preferential Equity Shares	1,080
Less: Utilised for Working Capital	480
Balance Fund- Invested in Fixed Deposits	600


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

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

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Pvt Ltd	9,96,014	6.60%	9,96,014	7.07%
Jigisha S. Patel	18,22,205	12.08%	18,22,205	12.93%
Shilpan P. Patel	54,06,346	35.83%	49,66,346	35.25%
Shilpan Patel (HUF)	10,29,180	6.82%	10,29,180	7.31%
	<b>92,53,745</b>	<b>61.33%</b>	<b>88,13,745</b>	<b>62.56%</b>

**g) Details of shares held by promoters**

Name of Promoters	Number of shares	% of Holding	% change during the year
Arrow Convertors Private Limited	9,96,014	6.60%	(0.47)
Jigisha S. Patel	18,22,205	12.08%	(0.85)
Shilpan P. Patel	54,06,346	35.83%	0.58
Shilpan Patel (HUF)	10,29,180	6.82%	(0.49)
Neil Patel	5,39,810	3.58%	(0.25)
Rishil Patel	5,47,000	3.63%	(0.25)
Manisha Sindhi	10,000	0.07%	-
	<b>1,03,50,555</b>	<b>68.60%</b>	<b>(1.73)</b>

		As at	
		March 31, 2023	March 31, 2022
<b>17 Other Equity</b>			
General Reserve	17 (i)	2	2
Capital reserve	17 (ii)	82	82
Securities premium reserve	17 (iii)	1,882	902
Retained earnings	17 (iv)	6,116	4,896
Foreign currency translation reserve	17 (v)	228	178
		<b>8,311</b>	<b>6,060</b>
<b>17 (i) Reserves and surplus</b>			
<u>General reserve</u>			
Balance at the beginning of the year		2	2
Movement during the year		-	-
Balance at the end of the year		2	2
<b>17 (ii) Capital reserve</b>			
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, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>17 (iii) Securities premium reserve</b>		
Balance at the beginning of the year	902	902
Movement during the year	980	-
Balance at the end of the year	1,882	902
<b>17 (iv) Retained earnings</b>		
Opening Balance at the beginning of the year	4,896	5,848
Add :Loss for the year	1,228	(933)
Less : Dividend paid by subsidiary company	-	(20)
Items that will not be reclassified to profit or loss :		
- Remeasurement of defined benefit obligation	(12)	1
- Income tax relating to above item	4	(0)
Balance as at the year end	6,116	4,896
<b>17 (v) Other Comprehensive Income</b>		
<u>Foreign Currency Translation Reserve</u>		
Opening balance	178	212
Add: for the year	50	(34)
Balance as at the year end	228	178
	<b>8,311</b>	<b>6,060</b>

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

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

**b) Capital Reserve**

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

**c) Securities Premium**

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

**d) Retained Earnings**

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




**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	As at	
	March 31, 2023	March 31, 2022
<b>18 Non current Borrowings</b>		
<u>Loan from Others (Secured)</u>		
Term Loan (Secured)	192	302
Vehicle loan (Secured)	33	42
Less: Current Maturities	(134)	(118)
	<b>91</b>	<b>225</b>
Loan from a Non banking financial company of Rs. 192 (March 31, 2022 : Rs. 302) carries interest @ 12.50% p.a. The loans are repayable in 60 monthly instalments along with interest starting from October 2019. The loan is secured by hypothecation of fixed assets acquired.		
Vehicle loan of Rs. 33 (March 31, 2022 : Rs. 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.		
<b>18A Current Borrowings</b>		
Current Maturities of long term borrowings	134	118
	<b>134</b>	<b>118</b>
<b>19 Provisions</b>		
Provision for employee benefits		
Leave encashment (un funded) (Refer note 39)	33	21
	<b>33</b>	<b>21</b>
<b>20 Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	3	4
Total outstanding dues to others	1,013	314
	<b>1,016</b>	<b>318</b>

**Trade Payable Ageing (including capital payables)**

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


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

As at March 31, 2022	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>(i) MSME</b>					
- Disputed	-	-	-	2	2
- Undisputed	2	-	-	-	2
<b>(ii) Others</b>					
- Disputed	-	-	-	-	-
- Undisputed	327	3	48	61	439
<b>Total</b>	<b>329</b>	<b>3</b>	<b>48</b>	<b>62</b>	<b>443</b>

	As at	
	March 31, 2023	March 31, 2022
<b>21 Other financial liabilities</b>		
Interest Accrued but not due	1	1
Unclaimed Dividend ^	32	38
Employee Benefits Payable	95	38
Outstanding liability for expenses	159	87
Trade payable for capital goods (other than small and medium enterprises)	111	125
	<b>398</b>	<b>289</b>
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
<b>22 Provisions</b>		
Provision for employee benefits		
- Gratuity (funded) (Refer Note 39)	27	18
- Leave encashment (un funded) (Refer Note 39)	3	17
	<b>30</b>	<b>35</b>
<b>23 Other current liabilities</b>		
Statutory Dues Payable	48	28
Advances from customer	23	23
	<b>71</b>	<b>51</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>24 Revenue from operations</b>		
<u>Sale of products (net of sales return)</u>		
Finished goods	9,216	1,584
Traded goods	1,458	1,739
<u>Services rendered</u>		
Consulting Income	195	33
<u>Other Operating Revenue</u>		
Sale of scrap	8	11
<b>Revenue from Operations</b>	<b>10,877</b>	<b>3,367</b>
<b>Detail of Sale of Products / Services</b>		
<u>Finished goods sold</u>		
Water Soluble Films	2,306	1,561
Anti Counterfeit Products	6,876	23
Others	34	-
	<b>9,216</b>	<b>1,584</b>
<u>Traded goods sold</u>		
Cleaning Products	28	3
Biodegradable Resins	1,044	481
Other Business	351	1,237
Water Soluble films	35	18
	<b>1,458</b>	<b>1,739</b>
<b>Detail -Geography wise Operations</b>		
Export Sales	991	355
Local Sales	9,886	3,012
	<b>10,877</b>	<b>3,367</b>
<b>25 Other Income</b>		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	1	7
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	33	34
On Others	3	5
Foreign Exchange Gain (net)	32	18
Net Gain on Sale of non-current Investments in Mutual Fund	-	14
Profit on sale of Investment	-	15
Miscellaneous Income	30	19
Provision for doubtful debts and advances Written Back	85	3
Rent Income	51	54
	<b>235</b>	<b>169</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>26 Cost of raw materials consumed</b>		
Inventory at the beginning of the year	395	227
Add: Purchases	5,469	891
Less: Material consumed for trial production	-	88
Less: Inventory at the end of the year	757	395
	<b>5,107</b>	<b>636</b>
<b>27 Change in inventory of finished goods, work-in-progress and stock in trade</b>		
<u>Inventories at the end of the year</u>		
Stock In Trade	0	1
Work-in-progress	335	140
Finished goods	367	78
<u>Inventories at the beginning of the year</u>		
Stock In Trade	1	59
Work-in-progress	140	14
Finished goods	78	54
	<b>(483)</b>	<b>(93)</b>
<b>28 Employee benefits expense</b>		
Salary, Wages and Bonus	1,012	644
Contribution to Provident and other funds (Refer note - 39)	28	18
Gratuity (Refer note - 39)	8	7
Leave Encashment (Refer note - 39)	2	17
Staff welfare expenses	26	22
	<b>1,076</b>	<b>709</b>
<b>29 Finance Cost</b>		
Interest on Secured Loan	58	48
Processing and Other Charges	23	1
Interest on Lease(Refer note 3A)	17	15
Interest on Tax	18	1
	<b>115</b>	<b>66</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>30 Other expenses</b>		
Consumption of stores and spares	130	48
Repair and Maintenance - Building	16	12
Repair and Maintenance - Machinery	16	17
Repair and Maintenance - Other	27	30
Rent (Refer note 36)	11	9
Insurance	29	27
Power and Fuel	545	406
Labour Charges	40	48
Factory Expenses	108	59
Selling and Promotion Expenses	3	2
Freight and Forwarding	122	61
Trial Production Expenses	33	113
Postage and Telephone Expenses	16	14
Printing and Stationery	7	6
Travelling and Conveyance	152	107
Patent Development Expenses W/off	64	-
Legal and Professional Charges	336	136
Patent Charges	33	21
Donations	11	-
Bad Trade Receivables / Deposits written off	-	21
Provision For Advances	29	2
Provision For Doubtful debts	-	59
Loss by Fire (Refer note no. 49)	35	118
Payment to Auditors (Exclusive of Goods and Services tax) (refer note 31)	34	33
Corporate Social Responsibility Expense - Holding Company (refer note 32)	33	9
Loss on fair value of Investment	-	12
Bank Charges	16	17
Commission on Sales	71	23
Other Misc Expenses	106	45
	<b>2,021</b>	<b>1,455</b>
<b>31 Payment to Auditors (Exclusive of Goods and Services tax)</b>		
<u>As auditor</u>		
Auditors Remuneration	27	25
Tax audit fees	2	2
Limited review fees	5	4
<u>Other Capacity</u>		
Other services (Certification fees)	1	1
	<b>34</b>	<b>33</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	Year ended	
	March 31, 2023	March 31, 2022
<b>32 Corporate Social Responsibility Expense - Holding Company</b>		
1. Amount required to be spent by the Holding Company during the year (including shortfall for earlier years)	33	0.05
2. Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above,	33	9
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	0.05
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:	-	-
	<b>33</b>	<b>9</b>
<b>33 Income taxes</b>		
<b>a. Income tax expense is as follows:</b>		
<b>Statement of Profit and Loss</b>		
<b>Current tax:</b>		
Tax for the year	655	70
Adjustments for current tax of prior periods	(53)	-
<b>Total current tax expense</b>	<b>602</b>	<b>70</b>
<b>Deferred tax:</b>		
Deferred tax expenses	(25)	(244)
<b>Total deferred tax expense</b>	<b>(25)</b>	<b>(244)</b>
<b>Income tax expense</b>	<b>577</b>	<b>(174)</b>
<b>Other comprehensive income</b>		
<i>Deferred tax related to OCI items:</i>		
Net loss / (gain) on remeasurements of defined benefit plans	(4)	0
	<b>(4)</b>	<b>0</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

(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, 2023		March 31, 2022	
Profit before tax		1,803		(1,100)
Tax at the Indian tax rate	29.12%	525	29.12%	(320)
Tax effects on amounts which are not deductible (taxable) in calculating taxable income				
<b>Tax effect of:</b>				
Non-deductible expenses	-0.41%	(7)	-0.55%	6
Exempt income	0.00%	-	2.20%	(24)
Tax adjustment for earlier years	-10.09%	(53)	0.00%	-
Non recognition of DTA on Losses in view of Prudence	5.55%	100	10.31%	(113)
Others	0.45%	8	3.87%	(43)
	<b>31.76%</b>	<b>573</b>	<b>15.83%</b>	<b>(174)</b>

**c. Deferred Tax Liabilities (net)**

(i) 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
<b>Deferred tax on:</b>				
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)	58.41	-	16
MAT Credit	63	(63)	-	(0)
	<b>429</b>	<b>25</b>	<b>(4)</b>	<b>457</b>

(ii) Movement in deferred tax liabilities for the year ended March 31, 2022

	Net balance March 31, 2021	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2022
<b>Deferred tax on:</b>				
Property, plant and equipment	16	(241)	-	256
Fair valuation of investments in mutual fund	(4)	3	-	6
Provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	37	(8)	(0)	28
Brought Forward Losses	115	1	-	117
Others	(42)	-	-	(42)
MAT Credit	63	-	-	63
	<b>185</b>	<b>(244)</b>	<b>(0)</b>	<b>429</b>




**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

	For the year ended	
	March 31, 2023	March 31, 2022
<b>34 Earnings Per Share</b>		
Calculation of basic and diluted Earnings per share is as follows:		
Profit/(Loss) for the year attribute to Owners of the Group	1,228	(933)
Weighted average number of equity shares		
- Basic	1,44,20,343	1,40,87,938
- Diluted	1,44,20,343	1,40,87,938
Earnings per share (in ₹)		
- Basic	8.52	(6.62)
- Diluted	8.52	(6.62)

	As at	
	March 31, 2023	March 31, 2022
<b>35 Contingent liabilities and Commitments</b>		
<u>Contingent Liabilities</u>		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 2.50 lacs (Previous year: ₹ 5.33 lacs)	74	146
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 13.04 lacs (March 31, 2022: ₹ 13.04 lacs)	552	623
(c) Bank Guarantees given	526	486
	<b>1,153</b>	<b>1,255</b>

	As at	
	March 31, 2023	March 31, 2022
<b>36 Leases</b>		
Lease rent expenses for the year	11	9

**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 significantly Accounting Policies.


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

Segmental Reporting	for the year ended	
	March 31, 2023	March 31, 2022
<b>I Segment Revenue</b>		
Green Products	3,420	2,074
Hightech Products	7,456	1,293
<b>Total Segment Revenue</b>	<b>10,877</b>	<b>3,367</b>
<b>II Segment Result</b>		
Green Products	187	(105)
Hightech Products	2,375	(402)
<b>Total Segment Result</b>	<b>2,562</b>	<b>(507)</b>
Unallocated corporate income net of unallocated expenses	(643)	(528)
Profit/(Loss) before interest and taxation	1,918	(1,035)
Interest expenses	115	66
Profit/(Loss) before exceptional items and share of loss	1,803	(1,100)
Share in Profit/(Loss) in joint venture / associates	-	-
Profit/(Loss) before exceptional items and tax	1,803	(1,100)
Exceptional items	-	-
Profit/(Loss) before tax	1,803	(1,100)
Current Tax	655	70
Adjustment of tax relating to earlier periods (net)	(53)	-
Deferred Tax	(25)	(244)
Profit/(Loss) after tax	1,226	(926)
Other Comprehensive Income	42	(33)
Net Comprehensive Income	<b>1,268</b>	<b>(959)</b>
<b>III Segment Assets</b>		
Green Products	1,271	1,271
Hightech Products	5,967	3,280
<b>Total Segment Assets</b>	<b>7,238</b>	<b>4,550</b>
Unallocated Corporate Assets	4,908	4,314
<b>Total Assets</b>	<b>12,146</b>	<b>8,864</b>
<b>IV Segment Liabilities</b>		
Green Products	418	302
Hightech Products	893	198
Total Segment Liabilities	1,310	501
Unallocated Corporate Liabilities	807	686
<b>Total Liabilities</b>	<b>2,117</b>	<b>1,187</b>
<b>V Capital Employed</b>		
Green Products	853	968
Hightech Products	5,075	3,082
Unallocated	4,100	3,629



## Notes to the Consolidated financial statements for the year ended March 31, 2023

(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, 2023	March 31, 2022
The amount remaining unpaid to micro and small suppliers as at the end of the year :		
- Principal	1	2
- Interest	2	1
Amount of interest paid by the Group 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	1
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, 2023	March 31, 2022
Employer's Contribution to Provident Fund	26	16
Employer's Contribution to Employees State Insurance Corporation	2	3

#### 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, 2023**

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

**Reconciliation of the net defined benefit obligation:**

	Year ended	
	March 31, 2023	March 31, 2022
Opening defined benefit obligation	81	74
Benefits paid	(0)	(1)
Benefit Paid Directly by the Employer	-	-
Current service cost	6	6
Interest cost	6	5
Actuarial losses / (gain) recognized in other comprehensive income		
changes in demographic assumptions	-	(0)
changes in financial assumptions	9	(2)
experience adjustments	3	0
Closing defined benefit obligation	<b>105</b>	<b>81</b>

**Reconciliation of the fair value of plan assets:**

	Year ended	
	March 31, 2023	March 31, 2022
Opening fair value of plan assets	64	58
Interest Income	5	4
Employer contributions	10	4
Benefits paid	(0)	(1)
Actuarial gains on Plan Assets	1	(1)
Closing fair value of plan assets	<b>79</b>	<b>64</b>

**Balance sheet reconciliation**

	As at	
	March 31, 2023	March 31, 2022
Opening defined benefit obligation	81	74
Opening fair value of plan assets	(64)	(58)
Expenses recognised in profit and loss	8	7
Expenses recognised in Other Comprehensive Income	12	(1)
Benefit Paid Directly by the Employer	-	-
Employer contributions	(10)	(4)
Net (Asset) / Liability recognised in the Balance Sheet	<b>27</b>	<b>17</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

**Expenses recognised in profit and loss:**

	Year ended	
	March 31, 2023	March 31, 2022
Current service cost	6	6
Interest cost	2	1
	<b>8</b>	<b>7</b>

**Remeasurements recognised in other comprehensive income**

	Year ended	
	March 31, 2023	March 31, 2022
Actuarial (gain) loss on defined benefit obligation	13	(2)
Return on plan assets excluding interest income	(1)	1
	<b>12</b>	<b>(1)</b>

**Analysis of plan assets**

	As at	
	March 31, 2023	March 31, 2022
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	<b>100%</b>	<b>100%</b>

**Maturity profile of defined benefit obligation**

	As at	
	March 31, 2023	March 31, 2022
1 Year	26	24
2 to 5 years	18	12
6 to 10 years	50	45
More than 10 years	137	76

**Actuarial assumption**

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

	As at	
	March 31, 2023	March 31, 2022
Discount Rate (p.a.)	7.50%	7.25%
Salary escalation rate (p.a.)	7.00%	5.00%
Expected rate of return on assets	7.50%	7.25%
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, 2023

(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, 2023	March 31, 2022
Projected Benefit Obligation on Current Assumptions	105	81
Discount Rate: 1% increase	(7)	(5)
Discount Rate: 1% decrease	9	6
Future salary growth: 1% increase	6	4
Future salary growth: 1% decrease	(6)	(4)
Change in Rate of Employee Turnover : 1% Increase	1	2
Change in Rate of Employee Turnover : 1% Decrease	(1)	(2)

### 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, 2023	March 31, 2022
Compensated absences liability	36	38

### Actuarial assumption

	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.50%	7.25%
Long-term rate of compensation increase	7.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 2 (PY ₹ 17)


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

**40 Related party disclosures**
**a) Related parties and their relations**

<b>Name of Related Party</b>	<b>Relationship</b>
SP Arrow Bio Polymer Products Private Limited Sphere Bio Polymer Private Limited	Associate Company
Mr. Shilpan P. Patel - Managing Director Mr. Neil Patel - Joint Managing Director Mr. Hitesh Punglia - Chief Financial Officer Mrs. Poonam Bansal - Company Secretary	Key Management Personnel (KMP)
Mrs. Jigisha S Patel Mrs. Manisha Sindhi	Relative of key management personnel Relative of key management personnel
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, 2023**

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

**b) Transaction with Related Parties & Outstanding Balance as on March 31, 2023 and March 31, 2022 :**

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b><u>Mr. Shilpan P. Patel</u></b>				
Rent Expenses	13	12	(2)	0
<b><u>Arrow Business Advisory Pvt. Ltd.</u></b> <b><u>(formerly known as Arrow Convertor Pvt. Ltd)</u></b>				
Rent Expenses	5	5	-	-
<b><u>Advance Business Solutions</u></b>				
Purchase of Raw Material	3,087	-	(65)	-
<b><u>Aquavista Limited</u></b>				
Investment in Shares (Non Quoted) of Aquasam Ltd	-	-	15	15
<b><u>Remuneration to Key Managerial Personnel &amp; Relatives</u></b>				
Mr. Shilpan P. Patel - Managing Director	81	75	-	-
Mr. Neil Patel - Joint Managing Director	81	80	-	-
Mr. Hitesh Punglia - Chief Financial Officer	79	57	-	-
Mrs. Poonam Bansal - Company Secretary	13	11	-	-
<b><u>Share application money</u></b>				
Share application money pending allotment	-	8	-	8



## Notes to the Consolidated financial statements for the year ended March 31, 2023

(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, 2022	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
<b>Non Current Financial assets</b>							
Investments	(0)	118	-	118	103	15	-
Other financial asset	64	-	-	64	-	-	-
	<b>64</b>	<b>118</b>	<b>-</b>	<b>182</b>	<b>103</b>	<b>15</b>	<b>-</b>
<b>Current Financial assets</b>							
Trade Receivables	365	-	-	365	-	-	-
Cash and cash equivalents	981	-	-	981	-	-	-
Bank balances other than Cash and cash equivalents	1,057	-	-	1,057	-	-	-
Loans	0	-	-	0	-	-	-
Other financial assets	15	-	-	15	-	-	-
	<b>2,418</b>	<b>-</b>	<b>-</b>	<b>2,418</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,482</b>	<b>118</b>	<b>-</b>	<b>2,600</b>	<b>103</b>	<b>15</b>	<b>-</b>
<b>Non Current Financial liabilities</b>							
Borrowings	225	-	-	225	-	-	-
Lease Liabilities	110	-	-	110	-	-	-
<b>Total</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>335</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Financial liabilities</b>							
Borrowings	118	-	-	118	-	-	-
Trade payables	318	-	-	318	-	-	-
Other financial liabilities	289	-	-	289	-	-	-
Lease Liabilities	19	-	-	19	-	-	-
<b>Total</b>	<b>744</b>	<b>-</b>	<b>-</b>	<b>744</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>1,080</b>	<b>-</b>	<b>-</b>	<b>1,080</b>	<b>-</b>	<b>-</b>	<b>-</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

(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
<b>Non Current Financial assets</b>							
Investments	0	44	-	44	29	15	-
Other financial asset	66	-	-	66	-	-	-
	<b>66</b>	<b>44</b>	<b>-</b>	<b>110</b>	<b>29</b>	<b>15</b>	<b>-</b>
<b>Current Financial assets</b>							
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	-	-	-
	<b>5,542</b>	<b>-</b>	<b>-</b>	<b>5,542</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5,608</b>	<b>44</b>	<b>-</b>	<b>5,652</b>	<b>29</b>	<b>15</b>	<b>-</b>
<b>Non Current Financial liabilities</b>							
Borrowings	91	-	-	91	-	-	-
Lease Liabilities	94	-	-	94	-	-	-
<b>Total</b>	<b>185</b>	<b>-</b>	<b>-</b>	<b>185</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current Financial liabilities</b>							
Borrowings	134	-	-	134	-	-	-
Trade payables	1,016	-	-	1,016	-	-	-
Other financial liabilities	398	-	-	398	-	-	-
Lease Liabilities	26	-	-	26	-	-	-
<b>Total</b>	<b>1,574</b>	<b>-</b>	<b>-</b>	<b>1,574</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>1,759</b>	<b>-</b>	<b>-</b>	<b>1,759</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the reporting year ended March 31, 2023 and March 31, 2022, 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, 2023

(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,
- ii) 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, 2023	March 31, 2022
Less than 180 days	2,036	257
From 181 - 365 days	606	6
More than 365 days	66	242
<b>Total</b>	<b>2,708</b>	<b>504</b>
Less : Impairment allowance	80	139
<b>Total</b>	<b>2,628</b>	<b>365</b>

Expected credit loss assessment for customers as at March 31, 2022 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, 2023

(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
<b>Balance as at April 1, 2021</b>	<b>80</b>
Impairment loss recognised	59
Amounts written off / written back	-
<b>Balance as at March 31, 2022</b>	<b>139</b>
Reversal of Impairment loss on realisation of amount	(59)
Amounts written off / written back	-
<b>Balance as at March 31, 2023</b>	<b>80</b>

### Cash and bank balance

The Group held cash and bank balance with credit worthy banks and financial institutions of ₹ 2,899 and ₹ 2,047 as at March 31, 2023 and March 31, 2022 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, 2023				As at March 31, 2022			
	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)	249	154	95	-	403	154	249	-
Trade payables	1,016	1,016	-	-	318	318	-	-
Lease Liability	120	26	91	3	129	19	61	49
Other financial liabilities	398	398	-	-	289	289	-	-
Bank Guarantee given	-	301	225	-	-	44	442	-

### 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, 2023

(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
<b>March 31, 2023</b>					
<b>Financial assets</b>					
Investments	-	-	151	-	151
Trade receivables	234	413	784	-	1,431
Cash and cash equivalents	33	2,754	2,703	8	5,497
<b>Net exposure to foreign currency risk (assets)</b>	<b>266</b>	<b>3,167</b>	<b>3,638</b>	<b>8</b>	<b>7,078</b>
<b>Financial Liabilities</b>					
Trade payables	155	293	1,824	-	2,273
Trade payables for capital Goods	-	-	163	-	163
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>155</b>	<b>293</b>	<b>1,987</b>	<b>-</b>	<b>2,435</b>
Rupee Conversion Rate	82.17	89.44	101.65	89.70	
<b>March 31, 2022</b>					
<b>Financial assets</b>					
Investments	-	-	15	-	15
Trade receivables	159	80	-	-	239
Cash and cash equivalents	99	455	-	51	605
<b>Net exposure to foreign currency risk (assets)</b>	<b>258</b>	<b>535</b>	<b>15</b>	<b>51</b>	<b>859</b>
<b>Financial Liabilities</b>					
Trade payables	162	2	29	-	193
Trade payables for capital Goods	-	-	159	-	159
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>162</b>	<b>2</b>	<b>188</b>	<b>-</b>	<b>352</b>
Rupee Conversion Rate	75.79	84.22	99.46	62.15	

### 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, 2023		March 31, 2022	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	1.11	(1.11)	3.04	(3.04)
EUR	28.74	(28.74)	4.99	(4.99)
GBP	16.51	(16.51)	(0.85)	0.85
CHF	0.08	(0.08)	0.00	(0.00)

### 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, 2023

(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, 2023	March 31, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	225	344
<b>Total borrowings</b>	<b>225</b>	<b>344</b>

### 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 18) 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 Groups adjusted net debt to equity ratio are as follows.

Particulars	March 31, 2023	March 31, 2022
Borrowings		
Long term and Short term borrowings	91	225
Current maturities of Long term borrowings	134	118
Less: Cash and cash equivalents	(706)	(981)
Adjusted net debt	<b>(481)</b>	<b>(638)</b>
Total Equity	<b>9,820</b>	<b>7,469</b>
<b>Adjusted net debt to equity ratio</b>	<b>(0.05)</b>	<b>(0.09)</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.





## Notes to the Consolidated financial statements for the year ended March 31, 2023

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

### 44 Business Combinations

#### A) Subsidiaries

The Group's subsidiaries as at March 31, 2023 and March 31, 2022 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
		%	%	%	%	
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	99	1	1	Pharmaceuticals products
LQ Arrow Security Products (India) Private Limited	India	51	51	49	49	Security based products
Arrow Secure Technology Private Limited	India	100	100	-	-	Security based products

#### B) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations

Summarised Balance Sheet	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Current assets	61	56	1,301	1,102	279	251
Current liabilities	6	1	164	7	91	67
<b>Net current assets</b>	<b>55</b>	<b>55</b>	<b>1,137</b>	<b>1,095</b>	<b>188</b>	<b>184</b>
Non Current assets	21	21	230	287	2,001	1,870
Non Current liabilities	-	-	-	-	3,131	2,448
<b>Net non-current assets</b>	<b>21</b>	<b>21</b>	<b>230</b>	<b>287</b>	<b>(1,130)</b>	<b>(577)</b>
<b>Net assets</b>	<b>76</b>	<b>76</b>	<b>1,366</b>	<b>1,382</b>	<b>(941)</b>	<b>(393)</b>
<b>Accumulated NCI</b>	<b>37</b>	<b>37</b>	<b>172</b>	<b>175</b>	<b>(2)</b>	<b>(2)</b>


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

(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 (1%)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Revenue	26	3	496	1,251	36	1
Profit for the year	0	0	(45)	123	(548)	(162)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(45)</b>	<b>123</b>	<b>(548)</b>	<b>(162)</b>
Profit allocated to NCI	0	0	(2)	6	-	-
Dividend paid to NCI	-	-	-	-	-	-

Summarised cash flows	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Cash flows from operating activities	(20)	(5)	(357)	399	(341)	(176)
Cash flows from investing activities	3	3	64	23	(127)	(295)
Cash flows from financing activities	-	-	-	(398)	475	470
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(17)</b>	<b>(2)</b>	<b>(293)</b>	<b>24</b>	<b>7</b>	<b>(1)</b>

**C) Transactions with non- controlling interests**

There are no transaction with non controlling interest in FY 2022-23 and FY 2021-22.

**D) Interests in associates**

Set out below are associates of the group as at March 31, 2023 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
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, 2023

(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, 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%
<b>Total</b>	<b>10,028</b>		<b>1,226</b>		<b>42</b>		<b>1,268</b>	

March 31, 2022	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	5855	76%	(171)	18%	1	-3%	(170)	18%
Arrow Green Technologies (UK) Limited (consolidated)	2622	34%	(33)	4%	(34)	103%	(67)	7%
Arrow Secure Technology Private Limited	0	0%	0	0%	-	0%	(0)	0%
Avery Pharmaceuticals Private Limited	(393)	-5%	(162)	17%	-	0%	(162)	17%
LQ Arrow Security Products (India) Private Limited	76	1%	0	0%	-	0%	0	0%
Consolidation Adjustments	(691)	-9%	(567)	61%	-	0%	(567)	59%
Non Controlling Interest in all subsidiaries	210	3%	6	-1%	-	0%	6	-1%
<b>Total</b>	<b>7,680</b>		<b>(926)</b>		<b>(33)</b>		<b>(959)</b>	



## Notes to the Consolidated Financial Statements for the year ended March 31, 2023

(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	16	1,128	1,263	129	34	62	(117)	-	(117)	-	100
	GBP	0	11	12	1	0	1	(1)	-	(1)	-	
Advance IP Technologies Limited	INR	1	1,365	1,530	164	15	496	(46)	-	(46)	-	95
	GBP	0	13	15	2	0	5	(0)	-	(0)	-	
Advance Secure Products B.V	INR	9	(16)	3	11	-	-	(15)	-	(15)	-	100
	EURO	0	(0)	0	0	-	-	(0)	-	(0)	-	
Arrow Secure Technology Private Limited	INR	43	(43)	1	0	-	-	0	-	(0)	-	100
Avery Pharmaceuticals Private Limited	INR	25	(966)	2,280	3221	-	35	(756)	(208)	(548)	-	99
LQ Arrow Security Products (India) Private Limited	INR	75	1	82	6	21	22	0	-	0	-	51

Exchange rates	INR	GBP
31-Mar-23	Avg. Rate	96.82
	Closing Rate	101.87

#### 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-23	4,600	46	46%	(56)	-	(0)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-23	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.


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

**47 Loans**
**A 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, 2023	As At March 31, 2022	Maximum balance outstanding during the year	Purpose / utilisation by the borrower	Terms and conditions
Mangaldas Finance Limited	-	25	27	To meet working capital requirement	Loan is repayable on demand after commencement of Commercial production and the interest rate 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



## Notes to the Consolidated financial statements for the year ended March 31, 2023

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

### 48 Financial Ratio

Ratio / Measure	Methodology	March 31, 2023	March 31, 2022
(a) Current ratio	Current assets over current liabilities	4.58	4.70
(b) Debt-Equity ratio <sup>1</sup>	Debt over total shareholders' equity	0.02	0.06
(c) Debt Service Coverage ratio <sup>2</sup>	EBIT over current debt	9.15	(1.19)
(d) Return on Equity ratio <sup>3</sup>	PAT over total average equity	13.84%	-11.34%
(e) Inventory turnover ratio <sup>4</sup>	Sales over average inventory	72.45	56.83
(f) Trade Receivables turnover ratio <sup>5</sup>	Revenue from operations over average trade receivables	7.27	6.34
(g) Trade Payables turnover ratio <sup>6</sup>	Adjusted expenses over average trade payables	8.20	13.57
(h) Net capital turnover ratio <sup>7</sup>	Revenue from operations over working capital	1.81	1.10
(i) Net profit ratio <sup>7</sup>	Net profit over revenue	11.27%	-26.20%
(j) Return on Capital employed <sup>7</sup>	PBIT over capital employed	24.70%	-7.02%
(k) Return on investment	Interest income, net gain on sale of investments and fair value gain over average investments	1.23%	4.76%

Explanation for variance exceeding 25% :

- 1 Debt - Equity ratio has improved with infusion of more equity
- 2 With good performance of the Company, the Company's Ebitda has increased considerably, so as to have improved Debt service Coverage ratio.
- 3 PAT has improved significantly & has resulted in increase in ratio
- 4 Turnover of the Company has improved considerably. As a result, the inventory turnover ratio has decreased.
- 5 Turnover of the Company has improved considerably. As a result, Debtors turnover ratio has its effect.
- 6 Adjusted Expenses has increased with increase in turnover. Average Trade payables has come down with regular payments. So improved payable turnover ratio.
- 7 Improved performance in turnover has resulted in better capital turnover ratio, better return on capital & better profit ratio.

### 49 Loss by Fire

There was incidence of fire at one of the unit in factory of the Holding Company located at Ankleshwar on October 30, 2019 in which certain property, plant and equipment and inventories were damaged and destroyed. The Holding Company had duly filed its insurance claim. Pending finalisation of insurance claim, the Holding Company had written off inventories and written down the value of property, plant and equipment of Rs. 295 and Rs. 349, respectively and recognised an insurance claim of Rs. 612. The Holding Company had received amount of Rs. 363 on February 11, 2022 and Rs. 12 towards salvage value of materials. Consequently, Rs. 224 was pending to be received from the insurance company as on March 31, 2022, out of which the Holding Company has accepted loss of claim of Rs. 82 and written off the same in the books of account. The Holding Company had made application with insurance company on March 18, 2022 for considering the balance claim of Rs. 142, which was ex-parte rejected by the insurance company on April 29, 2022. The Holding Company has since re-lodged the claim with insurance company on May 6, 2022, hearing of which is under progress. The Holding Company is confident of recovery of the balance claim of Rs. 142. However, on prudence basis, provision of Rs. 71 has been made.

### 50 Statement of right issue proceeds

On March 19, 2020 the Holding Company has allotted 23,47,990 fully paid-up Equity Shares of face value Rs. 10 each ("Equity Shares") at an issue price of Rs.36/- (including a premium of Rs. 26/- per Equity Share) for cash to the existing equity shareholders in the ratio of 1 (One) fully paid up Equity Shares for every 5 (Five) fully paid Equity Shares held by the existing equity shareholders on Rights basis. There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue. Pursuant to IND AS 33, basic and diluted earnings per share have been adjusted in respect of right issue made during the year ended 31st Mar 2020.


**Notes to the Consolidated financial statements for the year ended March 31, 2023**

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

Particulars	Amount as per prospectus	Amount to be utilised
Gross proceeds from right issue	845	845
Less : - Right issue expenses	27	24
Net proceeds from Right issue	818	821

Utilisation of Right issue proceeds

Particulars	Amount to be utilised	Amount utilised	Pending utilisation
Capex for ACT (Anti Counterfiet Thread) Project	100	100	-
Loan to Avery Pharma for Pharma Project	300	300	-
Working Capital Requirement	250	250	-
Other General Corporate uses	171	171	-
<b>Total</b>	<b>821</b>	<b>821</b>	<b>-</b>

**51 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 Company 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.
- (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 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





## Notes to the Consolidated financial statements for the year ended March 31, 2023

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

- 52 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.
- 53 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.
- 54 The Consolidate Ind As financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on May 27, 2023.
- 55 The Board of Directors have recommended a dividend of Re. 1/- per Equity Share of Rs. 10/- each (10%) for the year ended March 31, 2023, which is subject to approval of shareholder's in ensuing Annual General Meeting.
- 56 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 27, 2023

**Hitesh Punglia**  
Chief Financial Officer

**Poonam Bansal**  
Company Secretary

**ARROW GREENTECH LIMITED**  
**CIN: L21010MH1992PLC069281**

**Registered Off:** 1/F, Laxmi Industrial Estate, New Link Road, Andheri (West) Mumbai - 400053  
Tel: 022 4974 3758, Email: [poonam@arrowgreentech.com](mailto:poonam@arrowgreentech.com)

Dear Member,

**Sub: Electronic Clearing Service (ECS)/ Bank particulars for payment of dividend**

We wish to inform you that from last few years, we have extended ECS facility to our members by which they can receive their dividend directly in their bank account through electronic clearing.

The benefits of ECS are that, it provides protection against fraudulent interception and encashment of dividend warrants or damage of dividend warrants in transit or problem of revalidation/ issuance of duplicate dividend warrants and there is no extra cost.

We wish to further inform you that SEBI has also mandated the companies, the use of ECS facility for distributing the dividend and other cash benefits to the investors and only in the absence of availability of ECS facility, the Company may use warrants for disbursing dividend and other cash benefits. Further the bank particulars have to be printed on the warrants to obviate any fraudulent encashment and interception in postal transit.

You are, therefore, requested to follow the procedure given below:

**i. Physical Shares**

In order to avail the ECS facility, we request you to provide us the requisite details in the form given overleaf and submit the same to the Company at its Registered Office at Arrow Greentech Limited, 1/F, Laxmi Industrial Estate, New Link Road, Andheri(W), Mumbai- 400053. The information should be accurate and complete in all respects and in order to prevent any incorrect particulars being entered, we request you to enclose photocopy of a Cheque for verifying the accuracy of MICR Code No. and other particulars.

**ii. Demat Shares**

Please note that as per the Stock Exchange directions, the Company will have to take note of the ECS or Bank Account details furnished only by the Depositories, whenever such information is available. You are therefore requested to provide such information only to your Depository Participant (DP), in case the shares are held in demat form.

We recommend and request you to avail of the ECS facility and in the alternative provide complete bank particulars for printing on the dividend warrant.

Assuring you of our best services.

Thanking you.  
Yours faithfully,

**For Arrow Greentech Limited**

**Company Secretary**

# Watersol<sup>®</sup>



## Arrow's Water Soluble Film

- ✓ **Water Soluble**
- ✓ **Biodegradable**
- ✓ **Barrier Film**
- ✓ **Versatile Usage**
- ✓ **Precision Dosing**
- ✓ **Convenient**

### POPULAR APPLICATIONS



AGROCHEMICALS  
PACKAGING



POWDER/GRAINULES  
PACKAGING



MOLD RELEASE  
FILM



DETERGENT &  
LIQUID PACKAGING



HYDROGRAPHIC  
PRINTING FILM



SHRINK WRAP  
FILM



*Dedicated to Innovation*

## MOUTH DISSOLVING STRIP (MDS)

**Mouth Dissolving Strips** are fast dissolving Pharmaceuticals and Neutraceuticals films that release API quicker than other formulations like tablets, capsules, oral disintegrating tablets, chewable tablets and liquid dosage forms. These films are formulated to self-dissolve upon contact with saliva and do not require additional fluids for consumption.



## ADVANTAGES OF MDS

- ☑ Instantly dissolves on contact with saliva & releases the drug
- ☑ Instant onset of action
- ☑ Increased bioavailability of the drug
- ☑ No risk of choking
- ☑ No chewing or swallowing required
- ☑ Negligible weight and compactness, making it convenient for the patient to carry
- ☑ MDS leads to faster drug action than conventional tablets, capsules & liquids
- ☑ Easy and painless medicine delivery method
- ☑ Palatable due to added flavours



## MDS is suitable for



Geriatric



Pediatric



Mentally  
challenged



Bed-ridden  
patients



Mucositis



Dysphagia



Veterinary

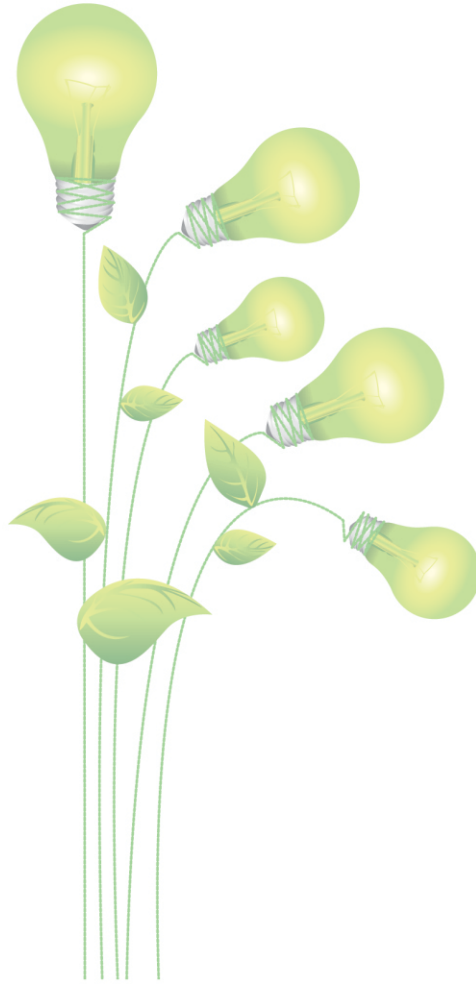


## Production Unit (Ankleshwar)



## Production Unit (Sanand)





**Registered & Corporate Office - India:**

**Address: Arrow Greentech Ltd., 1/F Laxmi Industrial Estate,  
New Link Road, Andheri (West), Mumbai 400 053.**

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**Email: [info@arrowgreentech.com](mailto:info@arrowgreentech.com)**

**Website: [www.arrowgreentech.com](http://www.arrowgreentech.com)**