

25th September 2017

To
Manager (CRD)
Bombay Stock Exchange Ltd. (BSE)
P.J. Towers, Dalal Street,
Mumbai 400 001

Manager (CRD)
National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400051

Ref: Script Code- 516064
Sub: Submission of Annual Report

Script Code- ARROWGREEN

Dear Sir,

Please find enclosed herewith Annual Report for the year ended 2016-17 of the Company, for your reference.

Kindly take the above on your record and acknowledge the receipt.

Thanking you,

Yours faithfully,

For Arrow Greentech Limited

Poonam Bansal
Poonam Bansal
Company Secretary



ARROW GREENTECH LTD.

Solitaire Corporate Park, Building No.3, Unit No.372, 7th Floor, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai - 400 093, Maharashtra, INDIA.

Phone : +91-22-4074 9000 Fax : +91-22-4074 9099 Email : contact@arrowgreentech.com Website : www.arrowgreentech.com

CIN No. : L21010MH1992PLC069281



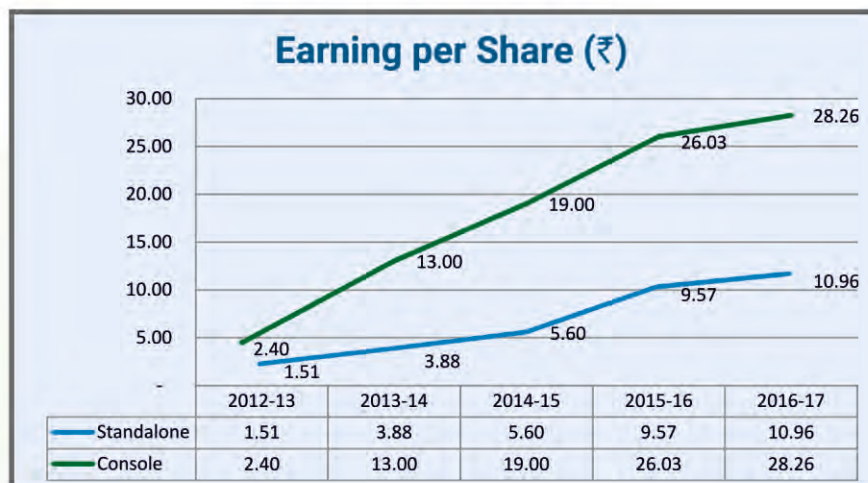
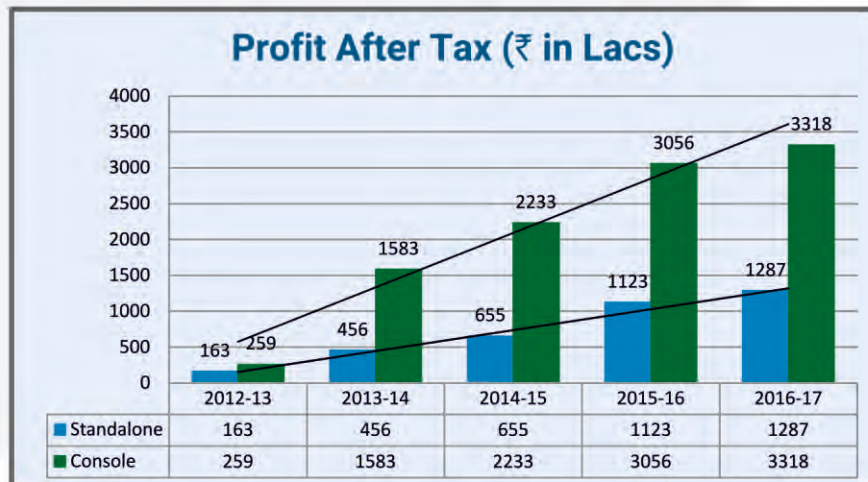
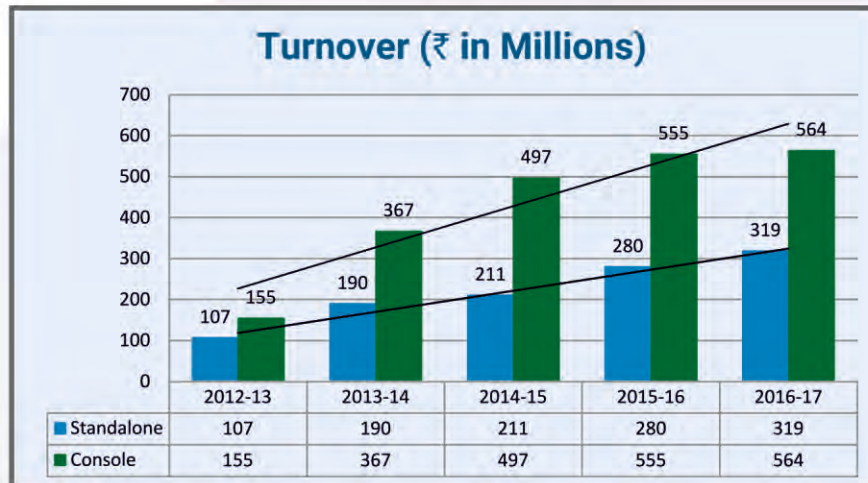
ARROW GREENTECH LTD.

Formerly known as Arrow Coated Products Ltd.

Innovative
Eco-friendly
Solutions

25th ANNUAL
REPORT
2016-17

Financial Highlights at a glance



Chairman Message

Dear Partners in Prosperity,

It is with a great deal of satisfaction and pride that we look back at the year gone by, ending March 2017. We continued to do what we do best: deliver innovative and environmental-friendly solutions to our customers and to drive the performance of your Company, while ensuring a focus on sustainability. We demonstrated resilience and strength to withstand a difficult economic environment. I am happy to share that despite the challenging global environment, your company achieved Total Revenue of Rs. 56 Crores in fiscal 2016-17 with a growth of 1.6%. Net Profit for the year increased to Rs. 34 Crores, up 7.9% over the previous year.



This performance could not have been achieved without single minded focus on Product development and marketing and perseverance in operational efficiency. The company has taken many strategic initiatives in the last year to achieve its vision of being a Green Company. This aspiration ignites our creativity, energizes our growth, enables us to deliver to our customers and ultimately, generates value for our shareholders.

Your company continues to tread on the path of transformational journey growth. The seed for strong growth requires development of organizational capability. The Company has continued to make meaningful investments in people, processes and Research & Development, Intellectual Property and Technology. These are long term investments for the future. We will keep on looking out for profitable growth avenues, which will create long term value for the shareholders.

The Patent business continues to be the foundation of the Company. We have 32 patents granted in India and across various geographical regions in the field of health & hygiene, high strength paper, security, packaging etc. Our product development team is continuously working on the development of new products and filing new patents to secure the Company's IP. Also on tangible assets side, we undertook a brownfield expansion in our Ankleshwar factory, the new plant was commissioned on 26th March, 2017. With this expansion, we increased our Water Soluble Film capacity to 3 times the existing capacity.

Our strategy has been simple. Innovate, Protect (Patents and IP), find the best in the field and make a strategic alliance to produce the patented product or out license our technology. The focus will always be on Environment friendly technologies and we look for like-minded partners having expertise in their field and who can add value to our targets.

I express my sincere gratitude to our shareholders, investors and banks who continue to support us. I feel proud in acknowledging the contribution of every single member of team, for having faith in the Company and delivering the best. Lastly, let me assure you that the best is yet to come for the Company which will enhance shareholders and other stakeholder's values in every possible ways. Again, I would like to acknowledge the continued support and co-operation from all of you which has helped the company to sustain its growth even during these challenging times.

Yours Sincerely,

Shilpan Patel
Chairman & Managing Director

Directors' Profile



Mr. Shilpan Patel, aged 61 years, is the **Chairman and Managing Director** of the Company and 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. 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.

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. He is based in Mumbai. He was last re-appointed as Director on our Board and re-designated as Managing Director of the Company for a period of 3 years w.e. f. September 29, 2014.



Mr. Neil Patel aged 31, is a **Whole Time Director** of our Company. He has done M. Sc. (Bio Medical Science) from Kingston College, London. He possesses good entrepreneurship skills. He has excellent organisational 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. He current term started from the Annual General Meeting held on September 29, 2014.



Mr. Haresh Mehta, aged 64 years, is an **Independent Director** of our Company. He is a graduate in Science. He holds a certificate in Packaging Technology and has also attended a long term programme in London. He is also a Director in Jayna Packaging Pvt. Ltd. He is a Chairman of Shareholders /Investor Grievance Committee and a member of the audit committee of the company.

He was appointed on our board for the first time on December 01, 1993 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from our last Annual General Meeting held on September 29, 2015.



Mr. Harish Mishra aged 66, 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 29, 2014.



Ms. Suneeta Thakur, aged 62 years, is an **Independent Director** of our Company. She is a science graduate and having vast experience in banking sector. She retired in Aug, 2011 as the Deputy Managing Director from Saraswat Bank and since then has been working as a Consultant to Care Group of Companies.

She is also a member of the Audit Committee of the Company. She was appointed to our board for the first time on 31st May 2014 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. Her current term started from the Annual General Meeting held on September 29, 2014.



Prof. Dinkarray D. Trivedi, aged 85 years, is graduated in Arts (Economics Honors) and done M.Com from Gujarat University, Ahmedabad. Currently he is a Management Consultant Focusing on Corporate Planning, Enterprise Transfer and Strategy Formulation. He has vast experience in teaching field and has taught in H. L. College of Commerce in Ahmedabad, Indian Institute of Management, Ahmedabad, Management Development Institute, New Delhi, UTI Institute of Capital Markets, Navi Mumbai, Ahmedabad Management Association, Ahmedabad and Bank of Baroda Regional Training Centre. He also handled a variety of assignments in the areas of, Visioning, Strategy Formulation, Corporate Planning, Corporate and Financial Restructuring, Advising on Acquisition,

Divestment decisions and has also advised in Not-for-profit organizations and Financing and Micro Insurance Institutions assisting NGOs and Micro Enterprises.

He is also director in four companies including Food Processing, Paper Machine Cloth and Specialty Fabrics. He is based in Ahmedabad.



Mr. Dinesh Modi, aged 65 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 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 29, 2014.



CORPORATE IDENTIFICATION NUMBER (CIN): L21010MH1992PLC069281

BOARD OF DIRECTORS :

Mr. Shilpan P. Patel Chairman & Managing Director
Mr. Neil Patel
Mr. Haresh Mehta
Mr. Harish Mishra
Ms. Suneeta Thakur
Mr. Dinesh Modi
Mr. Dinkarray Trivedi

COMPANY SECRETARY :

Ms. Poonam Bansal

CHIEF FINANCIAL OFFICER :

Mr. Hitesh Punglia

REGISTERED OFFICE :

Solitaire Corporate Park,
Bldg No.3, 7th Floor, Unit No. 372,
Guru Hargovindji Marg,
Chakala, Andheri (East)
Mumbai – 400 093

WORKS :

5310/5311- GIDC,
ANKLESHWAR - 393 002

AUDITORS :

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

**REGISTRAR AND SHARE
TRANSFER AGENTS :**

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

BANKERS :

Bank of Baroda
HDFC Bank Ltd
Kotak Mahindra Bank Ltd.

Important Communication to Members

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



NOTICE

Notice is hereby given that the 25th Annual General Meeting of Arrow Greentech Ltd. will be held on Wednesday, the 13th September 2017 at 10.30 a.m. at The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as on 31st March, 2017 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 31st March, 2017.
3. To appoint a Director in place of Mr. Neil Patel, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To consider and, if though fit, to pass with or without modifications the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, (including any modifications or re-enactment thereof for the time being in force) and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee, the appointment made of M/s Haribhakti & Co. LLP, Chartered Accountants (Registration No.103523W / W100048), as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next Annual General Meeting of the Company to be held in the calendar year 2018, be and is hereby ratified and that the Board of Directors of the Company be and hereby authorised to fix their remuneration, as may be recommended by the Audit Committee.”

SPECIAL BUSINESS

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

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications, re-enactment or amendment thereof, for the time being in force) and as per the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Company be and is hereby accorded for reappointment of Mr. Shilpan P Patel (DIN: 00341068) as Managing Director of the Company for a further term of 3 (three) consecutive years commencing from 1st April 2017 till 31st March 2020 on such terms and conditions detailed in the explanatory statement attached hereto, with the authority to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions, including remuneration, of the said appointment that may be agreed to between the Board of Directors and Mr. Shilpan P Patel.

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

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

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

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014



(including any statutory modifications, re-enactment or amendment thereof, for the time being in force) and as per the recommendation of Nomination and Remuneration Committee and approval of the Board, consent of the Company be and is hereby accorded for reappointment of Mr. Neil Patel, who was earlier designated as Wholetime Director of the Company be and is hereby re-designated as Joint Managing Director for a further term of 3 (three) consecutive years commencing from 1st April 2017 till 31st March 2020 on such terms and conditions detailed in the explanatory statement attached hereto, with the authority to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions, including remuneration, of the said appointment that may be agreed to between the Board of Directors and Mr. Neil Patel.

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

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

7. To appoint Prof. Dinkarray D Trivedi (DIN: 00380306) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, Prof. Dinkarray D Trivedi (DIN: 00380306), who was appointed as an Additional Director of the Company w.e.f. 13th February, 2017 pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 and whose term expires at this Annual General Meeting and in respect of whom Company has received notice under Section 160 of the said Act from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, office for a term of five years with effect from April 1, 2017 to March 31, 2022”.

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

“**RESOLVED THAT** pursuant to Section 188 and other applicable provisions of The Companies Act, 2013 if any, approval of the members be and is hereby accorded for entering into related party transactions by the Company, with effect from 1st April, 2017 up to the maximum amounts per annum as appended below:

The below item is in addition to the approval already taken on 24th June 2016

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



MAXIMUM VALUE OF CONTRACT /TRANSACTION (PER ANNUM) W.E.F 1 ST APRIL, 2017					(Rs. In Crores)
	Transaction defined u/s 188 (1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods or materials;	Selling or otherwise disposing of, or buying, property of any kind	Leasing of property of any kind	Availing or Rendering of any services;	Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
	(a)	(b)	(c)	(d)	(e)
NAME OF THE RELATED PARTIES					
COMPANIES					
Avery Biodegradable Products Pvt. Ltd.	1	-	-	1	-
Arrow Convertors Private Ltd.	5	-	0.25	-	-
Avery Pharmaceuticals Private Ltd.	10	5	0.5	10	
*DIRECTORS/ KMP'S / RELATIVES OF DIRECTORS AND KMPs / OTHER FIRMS AND COMPANIES in which directors have some interest as per the provisions of section 2(76) of the Companies Act, 2013	20	-	10	10	-

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

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

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

“**RESOLVED THAT** pursuant to Section 13 and other applicable provisions, if any, of the Companies Act 2013 (“Act”) and pursuant to the Companies (Incorporation) Rules, 2014 and all the applicable laws and regulations, consents, permissions and sanctions, required, if any, in this regard from any appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by statutory authorities, approval of shareholders be and are hereby accorded for addition of point 118 under Clause 3 (B) is as below –

3 (B) (118). “To manufacture, import, export, buy, sell, exchange, take on lease or hire, give on lease or hire, and otherwise deal in all types of security technology like Banknote Substrates, Security Features for Bank Notes, Patents related to Bank Notes and Currency, smart cards, passports, Security Thread, Visas, Printed Banknotes, share certificates, electronic tags and related electronic tracking products, smart card readers, barcode readers, biometric fingerprint readers, including all components, material and parts thereof and related IT software”.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be required for giving effect to this resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND IN CASE OF POLL, VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Member / Proxy should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 9th September 2017 to Wednesday, 13th September 2017 (both days inclusive).
6. Members desirous of seeking information relating to the accounts and operations of the Company are requested to address their queries to the Company at least 7 days in advance of the meeting, to enable the company to keep the information ready.
7. Shareholders are requested to bring their copies of Annual Report to the meeting.
8. In case the Dividend has remained unclaimed for the financial years 2012-13 to 2015-16 (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.
9. Members whose shareholding is in the electronic mode are requested to intimate any change in their address to their respective Depository Participants.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar and Share Transfer Agents.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Members are requested to address all correspondences to the Registrar and Share Transfer Agents.
13. Pursuant to the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the Annual General Meeting is given in the Annexure to this Notice.
14. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the businesses specified above is annexed hereto.
15. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote at the general meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of this rule.

Members who do not have access to e-voting facility may send duly completed Ballot Form (Attached to this Annual Report) so as to reach the Scrutinizer, Mr. Rajendra Vaze, Practising Company Secretary, at the Registered Office of the Company not later than September 12, 2017. Ballot Form received after this date will be treated as invalid.

Members may contact Ms. Poonam Bansal, Company Secretary, for any grievances connected with electronic means at the Corporate Office of the Company at 'Solitaire Corporate Park, Bldg No 3, 7th Floor, Unit No 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093, Tel. # 022-40749000.
16. The Board vide its Resolution passed on 27th May, 2017 has appointed Mr. Rajendra Vaze, Practising Company Secretary, (Membership No. F4247, COP No. 1975), as Scrutinizer for conducting the e-voting and postal ballot process in accordance with the law and in a fair and transparent manner.



The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

Results declared along with the Scrutinizer's report shall be placed on the website of the Company and on the website of the agency within 2 (two) days of passing of the resolution at the relevant general meeting of members.

PROCESS AND MANNER FOR MEMBERS OPTING FOR E- VOTING

The instructions for members for voting electronically are as under:-

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 9th September, 2017 (9:00 am) and ends on 12th September 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 6th September 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL:
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put your user ID and password . Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Arrow Greentech Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs.rajendra@yahoo.in.
 - B. In case a Member receives physical copy of the Notice of AGM
 - (i) For User ID & Password, members have to contact NSDL at evoting@nsdl.co.in or call on toll free no. 1800-222-990 :
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.



- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 6th September, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 6th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Rajendra Vaze, Practicing Company Secretary (Membership No. F4247, COP No. 1975), has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.arrowgreentech.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed.

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

Mr. Shilpan Patel, aged 61 years, hold a Master's degree in Business Administration from Sam Houston University, Texas, USA. He majored in Economics and Marketing. He did his graduation in Commerce from H.L. College of Commerce, Ahmedabad in India. He finished his schooling from St. Xavier's Highschool, Ahmedabad. In 1979-80 he gained experience in coating industry from Grace Paper Industries Pvt. Ltd and worked there for a period of 9 years. In 1990 he developed Water Soluble Film, which is a product of indigenous research and has very strong bearing on environment. In the year 2000 the product (Water Soluble Film) won the India Star Award. Mr. Shilpan Patel is an inventor and has various patents granted to his credits. These patents have been granted in USA, Europe, South Africa, Australia and India and are based on Water Soluble Films and Green Technologies. These granted patents are assigned to Arrow Greentech Ltd, and are in public domain.

He is also director in Arrow Convertor Pvt Ltd., Arrow Secure Technology Pvt Ltd., Grace Paper Industries Pvt. Ltd., Sparrow Biopolymer Products Private Limited, Arrow Agri-Tech Pvt. Ltd., Arrow Green Technologies (UK) Ltd. and Advance IP Technologies Limited. He is also a member of CSR Committee of the Company. As on 31st March 2017, he held 33,26,342 shares in the Company.

Mr. Neil Patel, aged 31 years, is Msc. (Bio medical science) from Kingston College, London. He possesses good entrepreneurship skills. He is associated with the Company since last 2009. He is also Director in Avery Bio-Degradable Products Private Limited, Arrow Agri-Tech Private Limited, Sphere Bio-polymer Pvt. Ltd and Advance Iris Security Products Private Limited and Arrow Green Technologies (UK) Ltd. & Advance IP Technologies Ltd. He is also a member of Audit Committee and Stakeholder Relationship Committee of the Company. As on 31st March 2017, he held 5,19,810 shares in the Company.



Prof. Dinkar D. Trivedi, aged 85 years, is graduated in Arts (Economics Honors) and done M.Com from Gujarat University, Ahmedabad. Currently he is a Management Consultant Focusing on Corporate Planning, Enterprise Transfer and Strategy Formulation. He has vast experience in teaching field and has taught in H. L. College of Commerce in Ahmedabad, Indian Institute of Management, Ahmedabad, Management Development Institute, New Delhi, UTI Institute of Capital Markets, Navi Mumbai, Ahmedabad Management Association, Ahmedabad and Bank of Baroda Regional Training Centre. He also handled a variety of assignments in the areas of, Visioning, Strategy Formulation, Corporate Planning, Corporate and Financial Restructuring, Advising on Acquisition, Divestment decisions and has also advised in Not-for-profit organizations and Financing and Micro Insurance Institutions assisting NGOs and Micro Enterprises.

He is also director in four companies including Food Processing, Paper Machine Cloth and Specialty Fabrics and Capital Market. He is based in Ahmedabad.

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

Item No. 5:

The tenure of Mr. Shilpan Patel as Managing Director expired on 31st March 2017. The Board of Directors of the Company at its meeting held on 27th May 2017 as per the recommendation of the Nomination and Remuneration Committee and subject to approval of the Shareholders, re-appointed Mr. Shilpan Patel as Managing Director of the Company for a period of 3 (three) years w.e.f. 1st April, 2017.

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

1) Tenure:

For a period of 3 years commencing from 1st April 2017 upto 31st March 2020.

2) Remuneration payable:

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

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

4) Other Terms

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

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

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

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

Item No. 6:

The tenure of Mr. Neil Patel as Whole Time Director expired on 31st March 2017. The Board of Directors of the Company at its meeting held on 27th May 2017 as per the recommendation of the Nomination and Remuneration Committee and subject to approval of the



Shareholders, re-appointed Mr. Neil Patel who was earlier designated as Wholetime Director of the Company be and is hereby re-designated as Joint Managing Director for a further term of 3 (three) years with effect from 1st April 2017.

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

1) Tenure:

For a period of 3 years commencing from 1st April 2017 upto 31st March 2020.

2) Remuneration payable:

(a) Salary of Rs. 6,25,000 per month (Rs. 75,00,000 per annum) which includes basic salary and other allowances.

(b) Other perquisites

i) Chauffeur driven Company car.

ii) Superannuation Scheme, benefits of Gratuity, earned leave and encashment of leave as per rules of the Company.

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

4) Other Terms

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

None of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in resolutions set-out under item no. 6 except Mr. Neil Patel, the appointee and Mr. Shilpan Patel, Managing Director of the Company and other relatives of Mr. Neil Patel are interested in the resolution as set out at Item No.6 of the Notice.

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

The Board recommends the Special Resolutions set out at Item No. 6 of the Notice for approval by the shareholders.

Item No.7:

Prof. Dinkarray D Trivedi, who has been appointed by the Board of Directors as an Additional Director of the Company w.e.f 13th February 2017 hold office upto the date of this Annual General Meeting, pursuant to the provisions of Section 161 of the Companies Act 2013 and a notice along with deposit of Rs. 1,00,000/- has been received from a member as required under Section 160 of the Companies Act, 2013, signifying his intention to propose Prof. Dinkarray D Trivedi as an Independent Director of the Company under Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 and Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance to hold office for a term of 5 (five) consecutive years with effect from 1st April 2017 to 31st March 2022. Prof. Dinkarray D Trivedi has confirmed that he is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as Director of the Company.

The Company has also received declaration from Prof. Dinkarray D Trivedi, that he meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Prof. Dinkarray D Trivedi fulfils the conditions for appointment as Independent Director as specified in the Act and rules made thereunder and Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Prof. Dinkarray D Trivedi is independent of the management.

Brief resume of Prof.Dinkarray D Trivedi is provided in the Notice forming part of the Annual Report. Copy of the draft letter of appointment of Prof.Dinkarray D Trivedi as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.



ARROW GREENTECH LIMITED

Except Prof.Dinkarray D Trivedi and his relatives none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in this resolution. The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No.8:

The provisions of Section 188(1) of the 2013 Act that govern the following Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in case the paid up share capital of a company is Rs. 10 crores or more , the prior approval of shareholders by way of a Special Resolution :

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, service or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company

Further, third proviso to section 188(1) provides that nothing shall apply to any transaction entered into by the company in its ordinary course of business other than transactions which are not on arm's length basis.

The provisions of section 188 (3) also provide that any contract or arrangement entered into u/s 188 (1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In the light of provisions of the 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the Companies Act, 2013) for the financial year 2017-18 and beyond.

All the prescribed disclosures as required to be given under the provisions of the 2013 Act and the Companies (Meetings of Board and its Power) Rules, 2014 are given herein below in a tabular format for kind perusal of the members.

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

MAXIMUM VALUE OF CONTRACT /TRANSACTION (PER ANNUM) W.E.F 1ST APRIL, 2017

(Rs. In Crores)

	Transaction defined u/s 188 (1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods or materials;	Selling or otherwise disposing of, or buying, property of any kind	Leasing of property of any kind	Availing or Rendering of any services;	Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;
	(a)	(b)	(c)	(d)	(e)
NAME OF THE RELATED PARTIES					
COMPANIES					
Avery Biodegradable Products Pvt. Ltd.	1	-	-	1	-
Arrow Convertors Private Ltd.	5	-	0.25	-	-
Avery Pharmaceuticals Private Ltd.	10	5	0.5	10	-
*DIRECTORS/ KMP'S / RELATIVES OF DIRECTORS AND KMPs / OTHER FIRMS AND COMPANIES in which directors have some interest as per the provisions of section 2(76) of the Companies Act, 2013	20	-	10	10	-



ARROW GREENTECH LIMITED

The Board of Directors at its meeting held on August 3, 2017 approved for entering into related party transactions by the Company with effect from 1st April, 2017 up to the maximum amounts per annum as appended above: Since the share capital of the Company exceeds Rs. Ten crores approval of the Members by way of Special Resolution is required.

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

Sr. No.	Name of the related party	Nature of relationship	Maximum Value of Transactions per annum (Rs. In Crores)	Nature, material terms, monetary value, and particulars of the contract or arrangement
1	Avery Biodegradable Products Pvt. Ltd.	Common directors	2	Sale, purchase or supply of any goods or materials or services or to enter into any leasing agreement.
2	Arrow Convertors Private Ltd.	Common director	5.25	Sale, purchase or supply of any goods or materials or services or to enter into any leasing agreement.
3	Avery Pharmaceuticals Private Limited	Subsidiary Company	25.5	Sale, purchase or supply of any goods or materials or services or to enter into any leasing agreement.

Item no. 9

The Company has various plans for expansion of its operations from the present level and it is proposed to start its business to manufacture and deal in Security related business. In order to achieve the same, point no. 118 under clause 3 (B) is added in the Memorandum of Association of the Company. Consent of the shareholders by passing a Special Resolution is required in this regard.

The proposed draft MOA is being uploaded on the Company's website for perusal by the shareholders

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

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

Poonam Bansal
Company Secretary

Mumbai, 3rd August 2017

Registered Office:

Solitaire Corporate Park,
Bldg No 3, 7th Floor, Unit No 372,
Guru Hargovindji Marg,
Chakala, Andheri (East), Mumbai 400 093
CIN: L21010MH1992PLC069281
Website: www.arrowgreentech.com

**DIRECTORS' REPORT**

To,
The Members,

The Directors of Arrow Greentech Limited present the 25th Annual Report on the operations of the Company, together with the Audited Accounts for the year ended 31st March, 2017.

Financial Results**(Rupees in thousands)**

Particulars	2016-2017	2015-2016
Total income	3,19,148	2,80,043
Profit (Loss) before finance cost, Depreciation and Amortization expenses, exceptional items & Tax	1,67,920	1,68,546
Less : Finance Cost	-	-
Less : Depreciation and Amortization expenses	12,542	9,751
Less: Exceptional items	-	-
Profit Before Tax (PBT)	1,55,378	1,58,795
Less : Provision for Taxation		
- Current Tax	22,134	49,000
- Deferred Tax	2,978	(603)
- Tax in respect of Earlier Years	1,588	(1,895)
Profit After Tax (PAT)	1,28,679	1,12,293
Add : Balance brought forward	1,19,705	64,866
Less : Tax & Dividend Adjustment	-	(57,453)
Balance carried to Balance Sheet	2,48,383	119,705

Operations:

The total income from operations including other income for the financial year under review amounted to Rs.3,191.48 Lacs as compared to Rs. 2,800.43 Lacs in the previous year. The Company has earned net profit of Rs. 1,286.79 Lacs under review after providing for depreciation of Rs. 125.42 Lacs and taxation of Rs. 267.00 Lacs. After adjustment of brought forward balance of Rs. 1,197.05 Lacs from previous year, Rs. 2,483.83 Lacs has been carried to the Balance Sheet.

Transfer to Reserves

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

Business outlook and future prospects:

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

Dividend

Your Directors have recommended a Dividend of 45% and also recommended a special dividend of 11% on occasion of 25th year of operation of the company on 11,73,9,948 Equity Shares of the face value of Rs. 10/- i.e. Rs. 5.6/- per equity share for the financial year ended 31st March 2017 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. 2308.31Lacs (previous year Rs. 1719.64 Lacs)

Foreign Exchange outgo – Rs. 220.84 Lacs (previous year Rs. 78.42 Lacs)

Auditors And Auditors' Report

Statutory Auditors

M/s. Haribhakti & Co. LLP, the Statutory Auditors of the Company will hold office till the ensuing Annual General Meeting. As per provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, an audit firm can be appointed as Statutory Auditors of the Company only for two terms each term consisting of five consecutive years.

M/s. Haribhakti & Co. LLP, the Statutory Auditors of the Company who hold office until the conclusion of the ensuing Annual General Meeting, is proposed to be re-appointed as Statutory Auditors of the Company for the financial year 2017-18. The said Auditor have given a written consent and also issued Certificate pursuant to Section 139 of the Companies Act, 2013.

Auditors' Report

In respect to observations made by the Auditors in their report, your Directors would like to state as under:

- 1) Regarding payment of undisputed statutory due, we state that the company is in process of payment of the same with appropriate authorities.

Secretarial Auditor:

The Board has appointed M/s Rajendra & Co., Practising Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 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, w.e.f 1st October 2016 in place of M/s Dhaker and Kadge, Chartered Accountants, Mumbai, who have resigned from the service of Internal Auditor w.e.f 1st October 2016. 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 loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

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

Subsidiaries

As on March 31, 2017 there were 2 subsidiaries and 1 step down subsidiary of the Company:

Direct Indian subsidiary:

Arrow Secure Technology Private Limited (WOS of the Company)

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)

Arrow Realty Limited (WOS of Arrow Green Technologies (UK) Limited) (Arrow Realty Limited, has been merged with Arrow Green Technologies (UK) Ltd on 4th January, 2017)

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



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

The Company has also formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company i.e. www.arrowgreentech.com and can be accessed at

http://www.arrowgreentech.com/images/policies/Policy_on_Material_Subsiidiaries.pdf

Consolidated Financial Statements

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

In accordance with the Section 129(3) of the Act and Accounting Standard (AS) – 21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in this Annual Report.

Corporate Governance

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

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

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

Internal control systems and their adequacy:

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

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

Internal Financial Controls

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

Extract of Annual Return:

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

SHARE CAPITAL

The Paid up Share Capital as on 31.3.2017 was Rs. 11.74 crore. During the year under review, the Company has not issued any shares.

Directors and Key Managerial Personnel

During the year, the tenure of Mr. Shilpan Patel as Chairman & Managing Director and Mr. Neil Patel as Wholetime Director of the Company expired on 31st March 2017. The Board of Directors of the Company at its Meeting held on 27th May 2017, subject to the approval of the shareholders, re-appointed Mr. Shilpan Patel as Chairman & Managing Director and Mr. Neil Patel, who was earlier designated as Whole time Director of the Company be and is hereby re-designated as Joint Managing Director for a further term of 3 (three) years with effect from 1st April 2017.

The Board, upon the recommendations of the Nomination and Remuneration Committee, at its Meeting held on 13th February, 2017, appointed Mr. Dinkarray Trivedi (DIN: 00380306) as an Additional (Independent) Director. w.e.f. 13th February 2017. Necessary resolution for seeking approval of members for his appointment in the said office is included in the Notice of Annual General Meeting.

In accordance with the provisions of the Act, none of the Independent Directors is liable to retire by rotation. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Neil Patel shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his appointment.



The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations.

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, Whole Time Director, Mr. Hitesh Punglia, Chief Financial Officer, and Ms. Poonam Bansal, Company Secretary of the Company. The Remuneration and other details of Key Managerial Personnel for the financial year ended March 31, 2017 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 four 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, 2017, whereat 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

The Audit Committee comprises Independent Directors namely of Mr. Harish Mishra, Mr. Haresh Mehta and Ms. Suneeta Thakur and Executive Director Mr. Neil Patel. The Chairman of the Committee is Mr. Harish Mishra. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism / Whistle Blower Policy:

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy 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

As at March 31, 2017, the Nomination and Remuneration Committee comprised of three Independent Directors namely Mr. Haresh Mehta, Mr. Harish Mishra and Mr. Dinesh Modi.

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

Pursuant to Section 135 of the Act a Corporate Social Responsibility (CSR) Committee was constituted. As at March 31, 2017, the CSR Committee comprised of one Executive Director and two Independent Directors namely Mr. Shilpan Patel, Mr. Haresh Mehta and Mr. Harish Mishra.

Corporate Social Responsibility Policy recommended by CSR Committee of the Directors has been approved by the Board of Directors of the Company. The same is available on the website of the Company may be accessed on the Company's website at the link: http://www.arrowgreentech.com/images/policies/CSR_Policy.pdf

The disclosure relating to the amount spent on Corporate Social Responsibility activities of the Company for the financial year ended March 31, 2017 is attached to this Report as Annexure-IV.

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 up to 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, 2017 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 directors had prepared the accounts 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 2017

Shilpan P. Patel
Chairman & Managing Director
DIN: 00341068



ANNEXURE I

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

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

I/We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arrow Greentech Limited** (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, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2017** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (**Not applicable**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit period**)
 - (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 to the company during the Audit Period**)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (**Not applicable to the company during the Audit Period**)



(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(**Not applicable to the company during the Audit Period**)

(i) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Other Laws applicable to the company Viz :

1. Bombay Shops and Establishments Act.
2. The Factories Act 1948 and Rules and Regulations there under
3. The Industries (Development & Regulation) Act 1951
4. Various Labour Laws and other incidental Laws related to Labour as under :
 - a. The payment of Wages Act 1936
 - b. The minimum wages Act 1948.
 - c. The payment of Bonus Act 1965
5. Income Tax Act, 1961 related to Tax Deducted at source and related to Advance tax
6. Sales tax related to the filing of Returns and Payment of Taxes.
7. Central Excise related to filing of RT 12 Returns ER-1 & ER-6 or 5
8. Service Tax related to filing of returns
9. Land Revenue laws of respective States.

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

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

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

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

I further report that

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

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

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

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

I further report that during the audit period, the company has passed following special Resolution which are having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines.

- (1) Transaction with Related Parties under Section 188 of The Companies Act, 2013

For Rajendra and Co.,
Company Secretaries

(Rajendra Vaze)
Practicing Company Secretary
FCS No . 4247
C.P. No 1975

Place: Mumbai
Date: 27th May 2017

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



ANNEXURE A'

**To The Members
Arrow Greentech Limited**

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

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

For Rajendra and Co.,
Company Secretaries

(Rajendra Vaze)
Practicing Company Secretary

FCS No . 4247
C.P. No 1975

Place: Mumbai
Date: 27th May 2017



ANNEXURE II

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹

(₹ in '000)

Sl. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	Arrow Green Technologies (UK) Ltd	*Advance IP Technologies Ltd	Arrow Secure Technology P. Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Co	Same as Holding Co	Same as Holding Co
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP, 1 GBP= ₹ 80.88	GBP, 1 GBP= ₹ 80.88	₹
4.	Share capital	1,602.17	80.88	4,312.75
5.	Reserves & surplus	3,70,861.99	2,08,859.60	(4,167.11)
6.	Total assets	3,82,666.07	2,13,202.69	154.27
7.	Total Liabilities	10,178.38	4,262.23	8.63
8.	Investments	2,029.27	-	
9.	Turnover	3,08,609.54	1,40,501.38	52.48
10.	Profit before taxation	1,17,847.87	99,881.24	(16.44)
11.	Provision for taxation	17,663.40	322.14	
12.	Profit after taxation	1,00,184.43	99,559.10	(16.44)
13.	Proposed Dividend	-	-	-
14.	% of shareholding	99.99%	-	99.98%

Notes:

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - No
- Names of subsidiaries which have been liquidated or sold during the year - No

*Step-down Subsidiary Company



Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Name of associates/Joint Ventures	SP Arrow Bio Polymer Products Pvt. Ltd.	Sphere Bio Polymer Pvt. Ltd.
1.	Latest audited Balance Sheet Date	31.03.2017	31.03.2017
2.	Shares of Associate/Joint Ventures held by the company on the year end		
	No. of Shares	4600	4900
	Amount of Investment in Associates/Joint Venture (Rs.)	46000	49000
	Extend of Holding%	46%	49%
3.	Description of how there is significant influence	Having control of participating in financial Policy of the company	Having control of participating in financial Policy of the company
4.	Reason why the associate/joint venture is not consolidated	Accounting Standard 23	Accounting Standard 23
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	(2259369)	49000
6.	Profit/Loss for the year	81200	-
	i. Considered in Consolidation	-	-
	ii. Not Considered in Consolidation	81200	-

- Names of associates or joint ventures which are yet to commence operations. - Sphere Bio Polymer Pvt. Ltd.
- Names of associates or joint ventures which have been liquidated or sold during the year. - NO



ANNEXURE III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Water Soluble Film	222	18%
2	Royalty Income - Patents	77	72%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Arrow Secure Technology Pvt. Ltd. 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) MUMBAI MH 400059 IN	U74999MH2006PTC165191	Subsidiary	99.98%	2(87)
2	Arrow Green Technologies (UK) Ltd 14 Burman Road, Liverpool L19 6PN.	Foreign Company	Subsidiary	99.99%	2(87)
3	SP Arrow Biopolymer Products Pvt. Ltd 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) MUMBAI MH 400059 IN	U51498MH2006PTC166618	Associate	46%	2(6)
4	Sphere Biopolymer Pvt. Ltd 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) MUMBAI MH 400059 IN	U25203MH2012PTC231084	Associate	49%	2(6)



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

(I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	7,133,971	-	7,133,971	60.77%	6,983,971	-	6,983,971	59.49%	-1.28%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	1,196,014	-	1,196,014	10.19%	1,196,014	-	1,196,014	10.19%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	8,329,985	-	8,329,985	70.96%	8,179,985	-	8,179,985	69.68%	-1.28%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	8,329,985	-	8,329,985	70.96%	8,179,985	-	8,179,985	69.68%	-1.28%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	19,600	19,600	0.17%	-	19,600	19,600	0.17%	0.00%
b) Venture Capital Funds	-	-	-	0.00%	-	-	2,399	0.00%	0.00%
c) Alternative Investment Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Foreign Venture Capital Investors	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Foreign Portfolio Investor	93,182	-	93,182	0.79%	93,382	-	93,382	0.80%	0.00%
f) Financial Institutions/Bank	2,399	-	2,399	0.02%	21,578	-	21,578	0.18%	0.16%
g) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Provident Funds/ Pension Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	95,581	19,600	115,181	0.98%	114,960	19,600	134,560	1.15%	0.17%
2. Central Government/ State Government/ President of India									
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
3. Non-Institutions									
a) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1022902	176527	1,199,429	10.22%	1303155	167227	1,470,382	12.52%	2.30%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1227338	93700	1,321,038	11.25%	1081118	93700	1,174,818	10.00%	-1.25%
b) NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c) Employee Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding Drs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)	-	-	-	-	-	-	-	-	-


ARROW GREENTECH LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Hindu Undivided Family	91961	-	91,961	0.78%	91863	-	91,863	0.78%	0.00%
Foreign Companies	-	180000	180,000	1.53%	-	180000		1.53%	0.00%
Non Resident Indians (Non Repat)	5375	7300	12,675	0.11%	9312	7300	16,612	0.14%	0.03%
Non Resident Indians (Repat)	73068	-	73,068	0.62%	93862	0	93,862	0.80%	0.18%
Clearing Member	69324	-	69,324	0.59%	54307	-	54,307	0.46%	-0.13%
Bodies Corporate	329,087	18,200	347,287	2.95%	325,359	18,200	343,559	2.92%	-0.03%
Sub-total (B)(3):-	2,819,055	475,727	3,294,782	28.06%	2,958,976	466,427	3,425,403	29.18%	1.11%
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	2,914,636	495,327	3,409,963	29.04%	3,073,936	486,027	3,559,963	30.32%	1.28%
Total (A)+(B)	11,244,621	495,327	11,739,948	100.00%	11,253,921	486,027	11,739,948	100.00%	0.00%
(C) Non Promoter-Non Public				0.00%				0.00%	0.00%
(1) Custodian/DR Holder	-	-	-	-	-	-	-	-	-
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014	-	-	-	-	-	-	-	-	-
Total (A+B+C)	11,244,621	495,327	11,739,948	100.00%	11,253,921	486,027	11,739,948	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year as on 1-April-2016			Shareholding at the end of the year as on 31-March-2017			% 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	ARROW CONVERTORS PVT LTD	1196014	10.19%	0	1196014	10.19%	0	0.00%
2	JIGISHA S PATEL	1718503	14.64%	0	1718503	14.64%	0	0.00%
3	NEIL S PATEL	519810	4.42%	0	519810	4.42%	0	0.00%
4	RISHIL S PATEL	520000	4.43%	0	520000	4.43%	0	0.00%
5	SHILPAN P PATEL	3476342	29.61%	0	3326342	28.33%	0	-1.28%
6	SHILPAN PATEL HUF	899316	7.66%	0	899316	7.66%	0	0.00%

(iii) Change in Promoters' Shareholding

SN	Particulars	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	Shilpan P Patel			3476342	29.61	-	-
	At the beginning of the year	3476342					
	Sale(-)/Purchase(+) during the Year	30-Dec-16	-150000				
	At the end of the year			Nil		3326342	28.33%



(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year as on 1-April-2016		Shareholding at the end of the year as on 31-March-2017	
		No. of shares	% of total shares	No. of shares	% of total shares
1	AQUAVISTA LTD	180000	1.53%	180000	1.53%
2	SURESH KANMAL JAJOO	-	-	145787	1.24%
3	PARAM CAPITAL RESEARCH PRIVATE LIMITED	139,910	1.19%	139,910	1.19%
4	ASUTOSH PRAMODCHANDRA MEHTA	130,307	1.11%	130,307	1.11%
5	MUKUL MAHAVIR PRASAD AGARWAL	130,000	1.11%	130,000	1.11%
6	SAMIR P PATEL	93,700	0.80%	93,700	0.80%
7	VIMAL SAGARMAL JAIN	92,700	0.79%	92,700	0.79%
8	SLG INTERNATIONAL OPPORTUNITIES,L.P	71,142	0.61%	71,142	0.61%
9	SHEELA VIMAL JAIN	63,000	0.54%	63,000	0.54%
10	SURESH GADALEY	73,764	0.63%	59,825	0.51%
11	SAROJINI TANDON	145,936	1.24%	57,775	0.49%
12	ASHISH SHARADKUMAR NEMANI	75,756	0.65%	691	0.01%
13	QUANT BROKING PRIVATE LIMITED	86,011	0.73%	127	0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Shilpan Patel Chairman & Managing Director						
	At the beginning of the year			3,476,342	29.61%		0.00%
	Changes during the year	30/12/2016	Transfer	150,000	0.00%	3,326,342	28.33%
	At the end of the year			3,326,342	28.33%		0.00%
2	Mr. Neil Patel, Whole Time Director						
	At the beginning of the year			519,810	4.43%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			519,810	4.43%		0.00%
3	Mr. Haresh Mehta, Independent Director						
	At the beginning of the year			53,466	0.46%		0.00%
	Changes during the year	05/05/2016	Transfer	15,270	0.13%	38,196	0.33%
	Changes during the year	22/08/2016	Transfer	15,681	0.13%	22,515	0.19%
	At the end of the year			22,515	0.19%		0.00%
4	Mr. Harish Mishra Independent Director						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			-	0.00%		0.00%



(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5	Mr. Dinesh Modi Independent Director						
	At the beginning of the year			50	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			50	0.00%		0.00%
6	Ms. Suneeta Thakur Independent Director						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			-	0.00%		0.00%
7	Mr. Dinkarray D Trivedi Independent Director						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			-	0.00%		0.00%
8	Mr. Hitesh Punglia Chief Financial Officer						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			-	0.00%		0.00%
9	Ms. Poonam Bansal Company Secretary						
	At the beginning of the year			27	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			27	0.00%		0.00%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

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



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs)
		Name		
		Designation		
		Mr. Shilpan Patel	Mr. Neil Patel	
		Chairman & Managing Director	Whole Time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	75,00,000.00	42,00,000.00	1,17,00,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600.00	21,600.00	43,200.00
	(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)	75,21,600.00	42,21,600.00	1,17,43,200.00
	Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Director		

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
		Mr. Haresh Mehta (ID)	Mr. Harish Mishra (ID)	Ms. Suneeta Thakur (ID)	Mr. Dinesh Modi (ID)	Mr. Dinkarray D Trivedi	
1	Independent Directors						
	Fee for attending board committee meetings	170,000.00	170,000.00	150,000.00	160,000.00	-	650,000.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	170,000.00	170,000.00	150,000.00	160,000.00	-	650,000.00
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	170,000.00	170,000.00	150,000.00	160,000.00	-	650,000.00
	Total Managerial Remuneration						12,393,200.00
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors					



ARROW GREENTECH LIMITED

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs.)
		Mr. Navin N Jha, Chief Financial Office (Upto 16 th May 2016)	Mr. Hitesh Punglia, Chief Financial Office (w.ef. 16 th May 2016)	Ms. Poonam Bansal, Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	62,370.00	2,703,549.00	805,889.00	3,571,808.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,700	18,900.00	21,600.00	43,200.00
	(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	65,070.00	2,722,449.00	827,489.00	3,615,008.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

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

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

In this regard, the Company has made policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen for undertaking socially useful programmes for welfare & sustainable development of the community at large. 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. 947.01 lacs**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

Prescribed CSR expenditure for FY 2016-17: Rs. 18.94 Lacs

5. Details of CSR spent during the financial year :

- (a) Total amount spent for the financial year 2016-17: Rs. 17.54 Lacs
- (b) Amount unspent, if any – Rs. 1.39 Lacs
- (c) Manner in which the amount spent during the financial year is detailed below :

S. No	CSR Projector activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in Rs.)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in Rs.)	Cumulative expenditure up to the reporting period (Amt in Rs.)	Amount spent: Direct (Amt in Rs.)
1	Promote Social, Educational and Cultural development of the society	Social Economic Development	-	11,00,000	11,00,000	11,00,000	11,00,000
2	Providing and Promoting Education	Education	-	2,00,000	2,00,000	2,00,000	2,00,000
3	Providing and Promoting Education	Education	-	2,04,630	2,04,630	2,04,630	2,04,630
4	Promoting Health Care	Health Care	-	2,50,000	2,50,000	2,50,000	2,50,000

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. 17.54 lacs. out of Rs. 18.94 lacs for the Financial Year 2016-17 as above and has utilized 92.61% of the amount. Your Company is in process of finding suitable project(s), and will contribute in phased manner in future, upon identification of suitable projects within the Company's CSR Policy.

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

Shilpan Patel
Managing Director & CEO
DIN: 00341068

Harish Mishra
Chairman of the Corporate Social Responsibility Committee
DIN: 05301127

Place: Mumbai
Date: 27th May, 2017



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

A. Water Soluble Film (Watersol™):

Arrow Greentech Ltd, an ISO 9001:2008 certified company, is one of the leading manufacturers of cast water soluble film in the world. We recently tripled our Capacity for **Watersol™** having made another world class manufacturing facility in Ankleshwar, Gujarat, with a totally automated machine. We see a good future for this business and hence going forward we have further planned to increase our capacities. **Watersol™** film has got varied applications in industries ranging from Agrochemicals, Construction, Chemical, Embroidery, Health & hygiene to Water transfer printing (3D printing). This new addition in capacity in production will help us achieve a greater market share in the top two main markets of water soluble film namely the agrochemical sector and the health/hygiene sector which adds up to be around 70% of the water soluble film market in the world.

According to certain research reports the PVA film market is approximately worth 550 million dollars for all water soluble film applications and is growing at approximately 5.2% CAGR.

Agrochemical sector:

World health organization recently in their article to all the agrochemical companies quoted the below to ensure safe usage of pesticides using **Watersol™** Film:

“Water soluble packaging is for pesticides that are diluted with water before application. The soluble sacks are put directly into the spray tank where they dissolve and release their contents. There are two main advantages: there is no operator exposure to the contents, as the packs do not require opening; and there is no contaminated container to be recycled or disposed of.

Water soluble packs should be considered an integral component of the formulation. Pesticide regulations should encourage innovation in package design that improves public safety and reduces the burden on the environment.”

Our Company has developed a wide range of water soluble films especially for the agrochemical industry which dissolves completely in water & meets WHO standards (solubility standards) as per CIPAC method without damaging the environment or causing any harm to humans and has no health hazards. Environmental agencies around the world has mandated that many Vector Control actives (like DDT, Lambda, Pyrethrins etc), weedicides, herbicides, insecticides etc must be packed in **water soluble films**. This increases the scope of **Watersol™** film market in India and neighboring countries. India has just scratched the surface of this end use. Internationally many agrochemicals are banned unless primarily packed in **Watersol™** film, thereby forcing Indian manufacturers supplying agrochemical in finished form to those companies to pack their product in **Watersol™** film. As Indian companies focus on exports of their agrochemicals, the demand for **Watersol™** film as compulsory packaging, mandated by environmental agencies such as United States environmental protection agency, will come to fore, and applications to CIB will increase and thereby increasing the demand for Indian **Watersol™** film.

Health hygiene sector:

The potential of **Watersol™** film in the **health and hygiene industry** cannot be overstated. In a field where hygiene, safe disposal and proper use are non-negotiable, **Watersol™** film can be used as disinfectant laundry bags and as capsule packs.

The **Watersol™** laundry bags is an optimum precautionary product that enables those who handle soiled linen to isolate, store, transport and clean washable dirty items. The bags can be used as integral liners in collection containers or as independent storage bags for soiled or contaminated items in medical care, such as used continence pads or bed linen, prior to laundering, thus minimizing the risk of cross contamination or direct exposure to waste materials or body fluids mainly in hospitals.

These laundry bags ensure complete protection to patients as well as hospital staff as they need not be opened again and be directly put in the wash, thus preventing exposure of contaminant to the environment.

In the hygiene division Arrow Greentech limited has developed a new cast Water Soluble film which is used for manufacturing water soluble detergent filled capsules. These capsules can be either be incorporated within the WSF laundry bags as precise portion packs (Solopacs™), or the same Solopacs™ can be used in any household applications such as washing machines, dishwashers, glass cleaners etc.

These capsules are soluble sachets that can provide capsule packaging for a wide range of applications. The Cast Water Soluble Capsules can store medical or household powder or liquid products safely thus ensuring convenient storage, high accountability, safe transportation, while also maintaining environmental standards, as these biodegradable products dissolve completely without leaving behind any residue and consequent environmental risk.

We at Arrow Greentech limited are aiming to be the biggest supplier of **Watersol™** Film in the coming years with expanding our production needs to meet the worlds requirement.



B. KLENZ Pro:

In the last year Arrow along with support of technical partner Proquimia has slowly but strongly grown Brand Klenz Pro, it is the most concentrated range of hygiene chemicals available in India. We are the first company in India to successfully launch cleaning chemical in water-soluble film. Klenz Pro is designed in collaboration with Proquimia (Spain) who has more than 45 years experience in manufacturing and marketing Cleaning & Hygiene Chemicals. We introduced our products for customers in General Cleaning, Kitchen Cleaning, Industrial Cleaning and Laundry Cleaning market with chemicals that are Easy to Dose, Safe to use, less or No environmental damage, Top performance along with cost optimization.

We are proud to put only high quality products to our customer we stand that claim as all our products are manufactured under European 2017 norms and have a wide range of ECO-LABELED product in the portfolio. In fact we continue our green mission as our products reduce plastic usage by 90%, we constantly strives to provide our customers with a balance between profitability and environmental impact, providing a comprehensive solution to the most demanding consumers.

We have faced many challenges last year, as our products are unique and vastly different from most of our competitors. But teams hard work and persistence have helped us expanded our presence and we are currently available in all major cities and states on West and South region of India with over 25+ distributors. Our major end clients are Hotels, Pharmaceutical plants, Manufacturing Industry, Auto Mobile Industry, Corporate offices, Facility management companies, Government bodies etc. we have expanded our product range with 59 products already introduced in the market and plans to expand the range further to about 80 products by 2018.

Our Marketing & Launch Strategy along with Quality built Products made us win the “Best Innovative Chemical Product” 2016. Since then we have constantly been taking part in various hygiene exhibition and trade shows to expand awareness and educate the industry with these unique and innovative products. We have also launched our web portal where you can find all solutions and products for our cleaning chemicals.

C. Security Products:

Arrow has been granted many patents in the field of security. These patents are used for brand protection and compliment well up to high end security products like Passports, Bank Notes and security paper. Presently, Arrow is in the process of forming strategic alliances with some of the world's best companies in this field.

Building strategic alliances and going to market, which is well protected by cluster of Intellectual Property (IP), is the strategy that Arrow has successfully accomplished in the past and intends to continue doing the same in the future. The security division of Arrow has been bifurcated into medium end products and higher ends products both catering to Government business division with their cutting-edge technology.

Cross selling between two divisions is also possible. e.g. WSF Division can add value to customer's brand by convincing them to pay little extra and protect their brand. Another example is known as “protecting and control of grey marketing”. This is done by adding track and trace elements within the WSF and tracking FMCG products like Detergent capsules, Dishwasher tablets etc.

As Intellectual Property Right (IPR) becomes important to Indian FMCG products and grey market diversion may become rampant, there will be raise in demand of brand protection for which Arrow will be key partner in providing them the solutions. Company has several patents in this security cluster and thus intends to create revenues in the coming years. Many of the European and Australian FMCG companies have been approached for propagating this technology. Track and trace solutions embedded in Printed WSF for detergent pods or dishwasher tablets are some of the products which Arrow will be looking at for commercializing via this patent. This year we hope to approach more companies to ensure that their brands are protected while using our patented product as an exclusive supply chain vigilance system.

D. Patents and IPR SBU:

IPR is an important revenue stream for any Company. This year, Arrow has been granted a patent in Australia for Method of Manufacturing Embedded Water Soluble film Carrier and a Patent in USA for Self Destructive Irreversible Security Packaging Film. In all we now have 32 granted patents nationally and internationally across Europe, The USA, South Africa, Australia, Russia and India. Our patent has wide range of application across industries such as health & hygiene, embroidery, security, paper, packaging and printing. Some of these patents have changed the way many Detergents, Pharma and Agro chemical products are being packaged and delivered. Arrow has spent reasonably heavy amounts of money in Research & Development and for filing patents in last couple of years. Our subsidiary companies in UK has hired the services of human assets, in commercializing WSF with this enhanced feature and has hired consultancy firm to find more opportunities in marketing our Health and Hygiene patent portfolio. We are in continuous discussions with Companies on various patent revenue models.

Company has a clear mandate to focus on two revenue streams—viz, Tangible assets (manufactured goods, with touch and feel and which can make a difference to lives of millions of people) and Intangible assets (Patents which can be out licensed (Arrow owned Patents) or in licensed (e.g. Misapor). Thus by using years of experience Arrow will commercialize these assets, to generate revenues). Intellectual property is one of the most important intangible assets that differentiate the Company from other smaller competition; with protected core technology in the form of patents one has nuggets of wealth at



the centre of the business. The patents are value creators for the Companies as they can be licensed, sold, assigned or cross licensed, so having a strong patent portfolio enables a Company to be royalty earner than royalty payer.

Patents protect company's own product lines against infringers and sometimes create a windfall profit, when the law suits are successfully prosecuted. This then result in continuous royalty income, besides one time fees as granted by the Courts. Arrow has proposed to DSIR (Department of Sciences and Research), department of TDB (Technical Development Board), for assisting in creating pilot production for these families of patents. This patent incubation centre, will be mainly focusing in creating proof of concept and pilot production centre. Scale up of these pilot projects will then allow the Company to compete in the International arena, as our management is convinced that IP is the only way to leap forward in this globally interconnected world. Products produced by these patented processes are protected against infringements/duplication for 15 to 20 years.

In future, Arrow proposes to enter crop protection using a different version of this patented process and patented product. As India starts it's vision into providing food grains for the world population, the need for low pesticides residue will be very important.

E. Arrow UK Activities:

Arrow UK operation is continuously a major contributor to our topline and bottomline. Revenue is primarily contributed by royalties from patents. With the investment made in manufacturing facility in UK in the year gone by, we are expecting to expand our foot print in European water soluble film market.

F. Export Division SBU:

Arrow's quality of **Watersol**TM film has opened various export markets, including Brazil, Latin America, Europe, and Asian markets. We expect better revenues from Export of Agrochemical and detergent based **Watersol**TM film to add to top line and bottom line, going forward with our expanded capacity.

Arrow is one of the major players in cast water soluble films and each manufacturer of cast water soluble film have unique methods of production of these films and have earned patent protection. The solubility of the film is related to the product being packed, so custom based **Watersol**TM film and ageing period is needed to fully certify the package. Arrow's experience in coatings chemistry, earned them a patent for a unique multilayered barrier coated **Watersol**TM film. This invention helps in proposing the right product to the clients and entering their permanent supply chain. This year should give a positive impetus to our export sales. With new investments in automated technology, Arrow is now geared to produce International quality of films as well as increase the quantum to satisfy the ever increasing hunger for **Watersol**TM film (water soluble films).

G. Water soluble edible film:

This technology is a relatively new development, but broadly based on water soluble film technology, which also allows small quantities of active ingredients to be delivered in a user-friendly format. Adapting existing products such as oral sprays, liquids or tablets, or exploiting entirely new opportunities, Edible film division will work closely with clients to create the most effective thin film product and process solutions. As you may be aware, that this patent has now been granted in several countries, including Australia, South Africa, Europe and India. This patent is still being prosecuted in the USA.

Taking advantage of the patented technology, we recently incorporated a new Wholly Owned Subsidiary (WOS) Company, Avery Pharmaceuticals Private Ltd. to manufacture, produce or to otherwise deal in pharmaceuticals and other related products.. These are long term revenue generating fields that your Company is targeting using our Patents and knowledge acquired over the years. This venture will mean additional Capital expenditure and your Company has planned ahead of time. Arrow's water soluble edible film foray will be limited to the use of its patented drug (Active) delivery system, using edible Water Soluble Film for many major pharmaceutical and nutraceutical companies.

2. Opportunities:

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

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

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

Need for non-soluble Bio Compostable Plastics is gaining attention now. The threat of flooding has resulted in the realization that Bio-Compostable Films as preferred material to save the cities from flooding. The need for Bio-Compostable film and Bio-Degradable film to save the environment is now present universally and environmentally conscious people of planet earth are looking at various ways to improve the quality of life. We expect to cash in on this opportunity by promoting and leveraging our venture with Sphere, France.



Bio Compostable Products:

With increasing concerns over the use of plastics, sustainable alternatives to plastics are increasingly in demand. Plastics made from petrochemicals are not a product of nature and cannot be broken down by natural processes. Arrow Greentech's foray into biocompostable film will be a game changer in terms of the ways packaging is being done conventionally. It would eliminate the waste woes and package the product securely without causing any alteration w.r.t. the changes in external environment. Arrow Greentech aims to follow the specifications and standards of ISO 17088 (2008) for compostable plastics. We have in-licensed the technology for biodegradable bioplastics from Sphere, France that is compliant with the European standards. It 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, disposable dishes and carrier bags. Sphere's expertise in bioplastics and Arrow's water soluble film technology together would revamp the packaging with sustainable solutions.

Some of the proposed products such as Arrow Tea-Coffee portion packs, aluminum foil when laminated inside with bio compostable film will provide dual advantages of heat blockage inside the packaged material and sustainability. Similarly, it has applications in jute hessian bags.

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

With new restrictions of maximum ceiling on exports of garments on China being imposed by EU and USA, along with anti-dumping duties this business is bound to come to India and neighboring countries. With recent shutdowns in Bangladesh and cost revisions in China, the demand for garments will go up. India meanwhile has built huge capacities in composite garment manufacturing units and the demand for our **Embroidery film (Watersol™ film)** will show an uptrend in the future. Distribution channels for exports have been further widened by appointment of agents in Sri Lanka, Bangladesh, Thailand, Malaysia, Indonesia, Cambodia, Vietnam and Myanmar. These are the emerging garment business hubs along with traditional markets like Africa, UAE and Turkey. Arrow's embroidery specific Water Soluble Films save time, money and environment.

Introduction of Schiffli embroidery film will replace the chemical lace fabrics (which are environmentally harmful) and will result in more demand for our **Watersol™ film**.

3. Threats:

Threats include non-specified materials (like blown films) from China, compelling us to keep our prices low and resulting in inability to make higher margins. Illegal Imports of our patented products like Soap Film, edible film etc., from China and other countries, and the inaction or delayed action by various government, judicial and non-judicial departments in our country, to stop these imports.

4. Internal control system and their adequacy:

Our Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from misuse or disposition and that transaction are authorized, recorded and reported correctly.

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

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

The company considers human capital as a critical asset and success factor for smooth organizational work flow and growth of the Company as all the products, patents and product application are Niche in themselves. Therefore the quest for building a dedicated team is on which will foster the growth of the Company at an exponential rate. The human resources required are not readily available for the basket of niche products of the Company and hence they need to be moulded overtime so that not only the individuals grow but it is profitable to the business. Efforts are made to improve skill, knowledge and performance of employees by timely training, job satisfaction and enrichment. The Company is in the process of positioning Business Managers who will grow individual product lines while growing themselves.

6. Cautionary statement:

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



REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

II. BOARD OF DIRECTORS

(a) Size and Composition of the Board of Directors

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

As on March 31, 2017, the Board comprised seven Directors of these, two are Executive Directors, including the Chairman & Managing Director who is a Promoter Director. Remaining five are Independent Directors including one Woman Director and one Additional Director.

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

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

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

(b) Number of Board Meetings

The Board of Directors met four (4) times during the financial 2016-17. The Meetings were held on May 14, 2016, August 06, 2016, November 11, 2016 and February 13, 2017. 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, 2017 is tabulated hereunder.



Name	Category	No. of Board meeting attended/ held during 2016-17	Attendance at last AGM held on 27 th September, 2016	No. of directorship held in other public companies	Committee Position in other companies	
					Member	Chairman
Mr. Shilpan Patel	Managing Director	3/4	Present	-	1	-
Mr. Haresh Mehta	Independent	3/4	Present	-	-	-
Mr. Harish Mishra	Independent	4/4	Present	-	-	-
Mr. Neil Patel	Executive Director	3/4	Present	-	-	-
Ms. Suneeta Thakur	Independent	4/4	Present	-	-	-
Mr. Dinesh Modi	Independent	4/4	Present	4	3	1
Mr. Dinkarray D Trivedi (Appointed w.e.f 13 th Feb 2017)	Independent	-	-	5	-	-

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 Whole- time Directors receive Salary, Perquisites and Allowances, while all the Non-Executive Directors receive Sitting Fees.

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

Remuneration was paid Executive Directors i.e. Mr. Shilpan Patel, Chairman & Managing Director and Mr. Neil Patel, Whole-time 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, 2017 and their shareholding are tabulated hereunder.

(Rs. in 000')

Name of the Directors	Salary, Perquisites & Allowances	Sitting Fees	Total	No. of Shares held
Mr. Shilpan Patel	7521	-	7521	3326342
Mr. Haresh Mehta	-	170	170	22515
Ms. Suneeta Thakur	-	150	150	-
Mr. Harish Mishra	-	170	170	-
Mr. Neil Patel	4221	-	4221	519810
Mr. Dinesh Modi	-	160	160	50



(g) Employee Stock Option Scheme:

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

(h) Management Discussion and Analysis

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

(i) Code of Conduct

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

These Codes have been posted on the Company's website www.arrowgreentech.com. All the Board Members and Senior Management personnel of the Company have affirmed Compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2017. A declaration to this effect signed by Mr. Shilpan P 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 2016-17, the Independent Directors of the Company also met on February 13, 2017, *inter alia*, to discuss and carry out the evaluation of performance of (i) Non-Independent Directors and the Board of Directors of the Company as a whole, (ii) the evaluation of performance of the Chairman of the Company, and (iii) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

Criteria for evaluation of independent directors:

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

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



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

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

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

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

III. BOARD COMMITTEE

Pursuant to SEBI Listing Regulations there were four Committees as on March 31, 2017 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, 2017, the Audit Committee comprises three (3) Independent Directors and one (1) Executive Director. All Members of the Audit Committee possess accounting and financial management knowledge.



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

The Audit Committee met four times during the year, i.e. on May 14, 2016, August 06, 2016, November 11, 2016 and February 13, 2017. 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
Ms. Suneeta Thakur	Independent Director	Member	4	4
Mr. Haresh Mehta	Independent Director	Member	4	3
Mr. Neil Patel	Executive Director	Member	4	3

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

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

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing the functioning of the Whistle Blower mechanism;
- Consider such other matter the board may specify;
- Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in Listing Agreement and the Companies Act, as and when amended.
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other functions as is mentioned in the terms of reference of audit committee.

Review of Information by Audit Committee:

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

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

(b) Nomination and Remuneration Committee

As of March 31, 2017, this Committee comprised three Independent Directors. They are Mr. Harish Mishra (Chairman), Mr. Dinesh Modi and Mr. Haresh Mehta.

This Committee met two times during the previous financial year i.e. on May 14, 2016, and February 13, 2017. 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	2
Mr. Dinesh Modi	Member	Independent	2	2

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

- 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, 2017, 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 31st March, 2017, is given below:

This Committee met four times during the previous financial year i.e. on May 14, 2016, August 06, 2016, November 11, 2016 and February 13, 2017.

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	3

The Committee deals with the following matters:

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

(d) 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.

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, 2017.

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	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/period.



c) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards, 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 P. Patel, Chairman & Managing Director of the Company, in respect of financial year ended 31st March, 2017 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, 2017 have been prepared as per applicable accounting standards 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 Apla Mahanagar (Marathi) newspapers.

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

VI. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2015-2016	27 th September, 2016	10.30 a.m.	The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093
2014-2015	29 th September, 2015	10.30 a.m.	The Classique Club, Behind Infinity Mall, New Link Road, Oshiwara Andheri (West), Mumbai – 400 053
2013-2014	29 th September, 2014	10.30 a.m.	

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

Date of A.G.M. / E.O.G.M.	Particulars of Special Resolution
27 th September 2016	Appointment of M/s Haribhakti & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company in place of the retiring Auditors M/s. J.A. Rajani & Co.
29 th September 2014	<ol style="list-style-type: none"> 1. For Remuneration payable to Managing Director, Mr. Shilpan Patel 2. For Remuneration payable to Whole Time Director Mr. Neil Patel 3. For Alteration of Articles of the Company

(iii) Special Resolutions passed through Postal Ballot

During the year 1(One) Special Resolution was passed through Postal Ballot procedures, on 24th June 2016, details of which are given below.

Special Resolutions	Votes cast in favour		Votes cast against		Date of Declaration of result
	No. of Votes	%	No. of Votes	%	
Special Resolution under Section 188 of The Companies Act, 2013 for Transactions with Related Parties.	13022	85.93	2133	14.07	24 th June 2016

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above, vide postal ballot.

(iv) Person who conducted the postal ballot exercise: M/s. Rajendra & Co. Company Secretaries (FCS - 4247 & C.P. No. 1975) was appointed as Scrutinizer for the purpose of Postal Ballot exercise.**(v) Procedure for postal ballot:**

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of NSDL/CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members/ list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the website of the Company, www.arrowgreentech.com, besides being communicated to all resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting

V. GENERAL INFORMATION FOR SHAREHOLDERS**a) Annual General Meeting**

Time	: 10.30 A.M.
Date	: 13 th September, 2017
Venue	: The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093

b) Last date for Receipt of Proxies : Monday, September 11, 2017

**c) 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, 2018 are as follows:

1 st Quarter Results	: by September 14, 2017
2 nd Quarter Results	: by December 14, 2017
3 rd Quarter Results	: by February 14, 2018
4 th Quarter & Annual Results	: Before May 30, 2018

d) Date of Book Closure : 9th September, 2017 to 13th September, 2017
(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 2017-18 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 2016-17 at BSE and NSE:

Month	Company's Shares price at BSE Ltd* (Rs.)		Company's Shares price at NSE Ltd* (Rs.)		BSE Sensex		Nifty	
	High	Low	High	Low	High	Low	High	Low
April, 2016	660.00	541.00	657.90	540.00	26,100.54	24,523.20	7992.00	7516.85
May, 2016	609.50	468.65	616.80	470.30	26,837.20	25,057.93	8213.60	7678.35
June, 2016	545.00	441.00	549.00	440.30	27,105.41	25,911.33	8308.15	7927.05
July, 2016	517.00	453.00	517.60	461.00	28,240.20	27,034.14	8674.70	8287.55
August, 2016	492.00	407.15	491.00	404.00	28,532.25	27,627.97	8819.20	8518.15
September, 2016	519.00	410.05	519.80	410.10	29,077.28	27,716.78	8968.70	8555.20
October, 2016	510.00	444.00	507.95	440.50	28,477.65	27,488.30	8806.95	8506.15
November, 2016	530.00	390.50	534.85	360.00	28,029.80	25,717.93	8669.60	7916.40
December, 2016	559.50	466.20	564.00	465.00	26,803.76	25,753.74	8274.95	7893.80
January, 2017	595.10	482.55	568.00	482.05	27,980.39	26,447.06	8672.70	8133.80
February, 2017	534.80	450.10	534.90	443.00	29,065.31	27,590.10	8982.15	8537.50
March, 2017	468.80	417.00	470.00	416.15	29,824.62	28,716.21	9218.40	8860.10

* Source : www.besindia.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.



VI. Shareholding pattern as at 31st March, 2017:

Sr. No	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	81,79,985	69.68
2.	Mutual Funds/UTI	19,600	0.17
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	21,578	0.18
4.	Venture Capital Funds	-	-
5.	FII's	-	-
6.	Bodies Corporate	3,43,559	2.93
7.	Individuals		
	< Rs. 2 Lac	17,18,039	14.63
	> Rs. 2 Lac	9,27,161	7.90
8.	Clearing Member	54,307	0.46
9.	NRI	2,03,856	1.74
10.	Trust	-	-
11.	Overseas Corporate Bodies	1,80,000	1.53
12.	HUF	91,863	0.78
TOTAL		11,739,948	100.00

VII. The Distribution of Shareholding as at 31st March 2017:

Slab of Shares Holding	Share Holders	%	Amount (Rs.)	%
1 - 500	5241	87.58	56,06,510	4.78
501 - 1000	355	5.93	28,70,130	2.44
1001 - 2000	148	2.48	22,88,230	1.95
2001 - 3000	74	1.24	18,97,390	1.62
3001 - 4000	43	0.72	14,95,620	1.27
4001 - 5000	25	0.42	11,48,490	0.98
5001 - 10,000	47	0.78	32,91,960	2.80
10,001 - Above	51	0.85	9,88,01,150	84.16
Total	5984	100.00	11,73,99,480	100.00

VIII. Dematerialization of shares and liquidity:

As on 31st March, 2017 about 95.86% 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, 2017, is given below:

Category	No. of Shares	Percentage
NSDL	90,31,867	76.94
CDSL	2,22,054	18.92
PHYSICAL	4,86,027	4.14
TOTAL	1,17,39,948	100

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.

IX. 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

X. Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity: NA

**XI. Plant location:**

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

XII. 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.
Solitaire Corporate Park
Bldg. No 3, 7th Floor, Unit No 372
Guru Hargovindji Marg
Chakala, Andheri (East)
Mumbai 400 093.
Tel No. : 022 - 4074 9000
Fax No. : 022 - 4074 9099
Email: poonam@arrowgreentech.com

XIII. 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.

XIV. 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 seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

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

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

Financial Year	Type of Dividend	Dividend Per Share Rs.	Date of Declaration	Due date for Transfer to IEPF	Amount remaining unclaimed / unpaid as on March 31, 2017 (Rs. in 000')
31.03.2013	Final	0.75	28 th Sep 2013	4 th Nov 2020	161.295
31.03.2014	Final	1.50	29 th Sep 2014	5 th Nov 2021	423.846
31.03.2015	Final	2.50	29 th Sep 2015	5 th Nov 2022	650.555
31.03.2016	Interim	3.00	06 th Feb 2016	14 th Mar 2023	709.083
31.03.2016	Final	1.50	27 th Sep 2016	3 rd Nov 2023	468.643

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.

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

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

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

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27th May 2017

Shilpan P. Patel
Chairman & Managing Director

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

To
The Member of
Arrow Greentech Ltd.

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

Place: Mumbai
Date: 27th May 2017

Sd/-
Shilpan P. Patel
Chairman & Managing Director



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

To The Members of
Arrow Greentech Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 05, 2016.
2. We have examined the compliance of conditions of Corporate Governance by Arrow Greentech Limited ('the Company'), for the year ended on March 31, 2017, 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.
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. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.
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, 2017.
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.

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

Snehal Shah
Partner
Membership No.048539

Place : Mumbai
Date : May 27, 2017



Independent Auditor's Report

To the Members of Arrow Greentech Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Arrow Greentech Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant Rules. 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

Other Matter

The Standalone Financial Statements of the Company for the previous year ended March 31, 2016, were audited by a firm of Chartered Accountants other than the present auditors who have expressed a modified opinion on those statements vide their report dated May 14, 2016.

Our opinion is not modified in respect of this matter.



Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25 on Contingent Liabilities to the standalone financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 35 to the standalone financial statements;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - (iv) The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management (Refer Note 34 to the financial statements).

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

Snehal Shah
Partner
Membership No.048539

Place : Mumbai
Date : May 27, 2017

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Arrow Greentech Limited ("the Company") on the Standalone Financial Statements for the year ended March 31, 2017]

- (l) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the Management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company, except for Office Building whose gross block is Rs. 134('000) and net block is Rs. 43('000).
- (ii) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, although there are slight delays.
- (a) According to the information and explanations given to us, no undisputed amounts payable in respect of value added tax and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable, except the following -

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

- (b) According to the information and explanation given to us, the dues outstanding with respect of income tax, sales tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in '000)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	VAT	2,839	2003-2004	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	442	2003-2004	Asst Commissioner of Sales Tax (Appeal), Mumbai
Maharashtra Value Added Tax Act, 2002	VAT	3,671	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai



Name of the statute	Nature of dues	Amount (Rs. in '000)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	CST	3,521	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai
Maharashtra Value Added Tax Act, 2002	VAT	53,901	2007-2008	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	12,188	2007- 2008	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	3,933	2008-2009	Asst Commissioner of Sales Tax (Appeal), Mumbai
Income Tax Act, 1961	Income Tax	6,888	2014-2015*	Asst Commissioner of Income Tax
*Assessment Year				

- (viii) According to the information and explanations given to us, the Company has not borrowed any money from financial institution, bank, and government or by way of debentures. Therefore, paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Snehal Shah
Partner
Membership No.048539

Place : Mumbai
Date : May 27, 2017



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the Standalone Financial Statements for the year ended March 31, 2017]

Para 1 - Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Arrow Greentech Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Para 2 - Management's Responsibility for Internal Financial Controls

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

Para 3 - Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Para 4 - Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Para 5 - Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial



control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Para 6- Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Snehal Shah

Partner

Membership No.048539

Place : Mumbai

Date : May 27, 2017



BALANCE SHEET AS AT 31ST MARCH, 2017

		(₹ in '000)	
Particulars	Notes	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	3	1,17,399	1,17,399
(b) Reserves & Surplus	4	2,86,000	1,57,323
		4,03,400	2,74,722
2 Non Current Liabilities			
(a) Deferred tax liabilities (Net)	5	5,409	2,431
(b) Long-term provisions	6	532	647
		5,941	3,078
3 Current Liabilities			
(a) Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		20,412	11,101
(b) Other current liabilities	8	29,492	23,228
(c) Short-term provisions	9	229	21,352
		50,134	55,681
TOTAL		4,59,475	3,33,481
II. ASSETS			
1 Non Current Assets			
(a) Fixed Assets	10		
Property, Plant and Equipment		1,55,277	44,186
Intangible assets		8,735	6,993
Capital work-in-progress		116	633
Intangible assets under development		11,788	12,611
(b) Non-current investments	11	1,71,633	1,58,452
(c) Long-term loans and advances	12	12,493	20,144
(d) Other non-current assets	13	3,192	1,842
		3,63,234	2,44,860
2 Current assets			
(a) Inventories	14	19,313	9,361
(b) Trade receivables	15	17,969	5,744
(c) Cash and Bank Balances	16	39,448	54,381
(d) Short-term loans and advances	17	18,176	7,861
(e) Other current assets	18	1,335	11,274
		96,241	88,621
TOTAL		4,59,475	3,33,481
Notes along with summary of significant accounting policies form an integral part of the financial statements	1 to 43		

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director
DIN No - 00341068

Hitesh Punglia
Chief Financial Officer

Neil Patel
Whole time Director
DIN No - 00607101

Poonam Bansal
Company Secretary



STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2017

		(₹ in '000)	
Particulars	Notes	Year Ended 31.03.2017	Year Ended 31.03.2016
I Income			
Revenue from Operation	19	3,15,983	2,33,288
Less: Excise Duty		7,177	6,655
		3,08,806	2,26,633
II Other Income	20	10,343	53,410
III Total Revenue (I+II)		3,19,148	2,80,043
IV Expenses			
Cost of Raw Materials consumed	21	18,240	18,543
Purchase of Stock in Trade		19,760	5,850
Change in inventory of finished goods, work-in-progress & stock in trade	22	(6,706)	(2,191)
Employee Benefit Expenses	23	44,416	26,463
Depreciation and amortization expense	10	12,542	9,751
Other Expenses	24	75,518	62,832
Total Expenses		1,63,770	1,21,248
V Profit before tax (III-IV)		1,55,378	1,58,795
VI Tax Expenses			
Current Tax		22,134	49,000
Tax in respect of earlier years		1,588	(1,895)
Deferred Tax		2,978	(603)
Total Tax Expenses		26,700	46,502
VII Profit for the year (V-VI)		1,28,679	1,12,293
VIII Earnings per equity share of face value of ₹ 10 (P.Y. ₹ 10) each	31		
Basic (in ₹)		10.96	9.57
Diluted (in ₹)		10.96	9.57
Notes along with summary of significant accounting policies form an integral part of the financial statements	1 to 43		

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director
DIN No - 00341068

Hitesh Punglia
Chief Financial Officer

Neil Patel
Whole time Director
DIN No - 00607101

Poonam Bansal
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in '000)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Cash Flow from operating activities		
Net Profit before tax	1,55,378	1,58,795
Adjustments :		
Depreciation and Amortization expenses	12,542	9,751
Bad Debts	1	30
Exchange differences on translation of assets & liabilities	338	-
Diminution in Value of Investment	681	-
Provision For Doubtful Debt	146	-
Provision For Doubtful Advances	1,404	-
Deferred Right issue Expenses written-off	1,050	175
Sundry balance written-off	2,278	4,477
Patent Development Expenses written off	400	158
Export Incentive	-	(10,275)
Net gain on sale of Long term investments	(822)	(957)
Interest Income	(1,489)	(1,620)
Dividend Income	(7,016)	(35,336)
Operating profit before working capital changes	1,64,892	1,25,197
Movements in working capital :		
Increase / (decrease) in Trade payables	9,311	4,022
Increase / (decrease) in Provisions	(42)	187
Increase / (decrease) in Other current liabilities	2,470	117
Decrease / (increase) in Trade receivables	(12711)	(781)
Decrease / (increase) in Inventories	(9,951)	(2,337)
Decrease / (increase) in Loans and advances	(764)	14,981
Decrease / (increase) in Other current assets	7,350	(4,713)
Cash generated from operations	1,60,556	1,36,673
Direct taxes paid	(27,024)	(64,632)
Net cash flow from operating activities (A)	1,33,532	72,041
Cash flows from investing activities		
Inflow		
Interest received	1,548	1,525
Sale of Long term investments	30,308	13,441
Dividends received	6,575	35,244
Outflow		
Purchase of Fixed assets including CWIP	(1,21,801)	(4,173)
Purchase of Long term investments	(42,668)	(16,443)
Investments in Bank deposits	(7,204)	(787)
Net cash flow from/ (used in) investing activities (B)	(1,33,243)	28,807
Cash flows from financing activities		
Outflow		
Dividend paid on equity shares	(17,610)	(64,570)
Tax on equity dividend paid	(3,585)	(6,641)
Net cash used in in financing activities (C)	(21,195)	(71,211)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(20,906)	29,633
Cash and cash equivalents at the beginning of the year	53,126	23,493
Cash and cash equivalents at the end of the year	32,220	53,126
Components of cash and cash equivalents (Refer Note 16)		
Cash on hand	132	2,047
Bank Balances		
- in Current account	7,729	9,519
- in Fixed Deposits with original maturity for less than 3 months	24,359	41,560
Total cash and cash equivalents	32,220	53,126

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539
Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director
DIN No - 00341068
Hitesh Punglia
Chief Financial Officer

Neil Patel
Whole time Director
DIN No - 00607101
Poonam Bansal
Company Secretary

**Notes to the financial statements for the year ended March 31, 2017****1. Corporate Information**

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

2. Significant accounting policies**a) Basis of Preparation**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (i) Sale of goods: Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are net of value added taxes and excise duty.
- (ii) Income from services is recognised (net of service tax as applicable) as they are rendered, based on agreement / arrangement with the concerned parties.
- (iii) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- (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**Property, Plant and Equipment :**

Property, Plant and Equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of Property, Plant and Equipment includes taxes, duties, freight, borrowing cost, if capitalization criteria are met and other incidental expenses incurred in relation to their acquisition/ bringing the assets for their intended use.

Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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.

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

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.

e) 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 fixed assets on the completion of project.

**Notes to the financial statements for the year ended March 31, 2017****f) Investments**

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

Holding of investment in Subsidiaries and Associates Companies are strategic importance to the company and therefore the company does not consider it necessary to provide decrease in the book value of such investment, till such relationship continues with the investee company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) Inventories

- (i) Raw Materials, Stores and Spares are valued at lower of cost arrived on FIFO basis and Net Realisable Value.
- (ii) Work-in-progress and Finished Goods are valued at lower of cost and Net Realisable Value. Cost includes direct material, direct labour, excise duty and attributable overheads.
- (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.

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.

h) Retirement and other employee benefits

- (i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- (ii) Gratuity and Leave Encashment liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method.
- (iii) Compensated absences are provided for based on actuarial valuation on projected unit credit method.
- (iv) Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

i) 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. 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. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for fixed assets.

j) Leases (where the company is lessee)

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Foreign Currency Transaction

Transactions in foreign currencies are accounted at the initially recorded exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit and loss.

In case of forward contracts (non-speculative), the premium or discount being the differences between the forward exchange rate and the exchange rate at the inception of the contract is recognized as expense or income over the life of the contract. The exchange difference either on settlement or translation is recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are reported

**Notes to the financial statements for the year ended March 31, 2017**

using the exchange rate prevalent at the date of transaction. Investments in shares of foreign subsidiary companies are expressed in Indian currency at the rates of exchange prevailing at the time when the original investments were made.

The company classifies all its foreign operations as “non-integral foreign operations.” The financial statements of non-integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average daily rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

m) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of timing differences between taxable income and accounting income during the current year and reversal of timing differences of earlier years.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted / substantively enacted at the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which is recognized based on virtual certainty, supported by convincing evidence that the assets will be realized in future against future taxable profits.

Carrying amount of deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised against future taxable income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax asset and deferred tax liability relate to same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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 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.

q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and Interim dividend are recorded as a liability on the date of the declaration by the company's Board of Directors.



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 3 Share Capital		
Authorised Capital : 1,50,00,000(P.Y. 1,50,00,000) Equity Shares of ₹ 10/- each	150,000	150,000
Issued,Subscribed and Paid Capital 1,17,39,948 (P. Y. 1,17,39,948 Equity Shares) of ₹ 10/- each fully paid up	117,399	117,399
	117,399	117,399

Notes:

a) 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.

The Board of Directors at their meeting held on May 27, 2017, recommended dividend & special dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of ₹ 4.5/- & ₹ 1.1/- per equity share of ₹10/- each respectively.

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.

- b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates Nil (P.Y Nil)
- c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil (P.Y Nil)

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

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares held	₹ In '000	No. of Shares held	₹ In '000
At the beginning of the year	11,739,948	117,399	11,739,948	117,399
Outstanding at the end of the year	11,739,948	117,399	11,739,948	117,399

e) Shareholder Holding more than 5%

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Arrow Convertors Pvt Ltd	1,196,014	10.19%	1,196,014	10.19%
Jigisha S. Patel	1,718,503	14.64%	1,718,503	14.64%
Shilpan P. Patel	3,326,342	28.33%	3,476,342	29.61%
Shilpan Patel (HUF)	899,316	7.66%	899,316	7.66%



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 4		
Reserves and Surplus		
General Reserve	200	200
Capital Reserve	8,218	8,218
Securities Premium Reserve	29,199	29,199
Surplus in the statement of profit and loss		
Balance as per last financial statements	119,705	64,866
Add :Profit for the year	128,679	112,293
	248,384	177,159
Less: Appropriations		
Interim equity dividend (31 st March 2017: Nil, 31 st March 2016 : ₹ 3)	-	35,220
Proposed final equity dividend (31 st March 2017 : Nil, 31 st March 2016: ₹ 1.5)	-	17,610
Tax on proposed equity dividend	-	4,624
Total appropriations	-	57,454
Net surplus in the statement of profit and loss	248,383	119,705
Total Reserves and Surplus	286,000	157,323
Note 5		
Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Related to Fixed Assets	6,730	2,431
Deferred Tax Assets		
Disallowance under Income Tax Act,1961	(1,321)	-
	5,409	2,431
Note 6		
Long Term Provision		
Leave Encashment (Refer Note No. 27)	532	368
Gratuity (Refer Note No. 27)	-	279
	532	647
Note 7		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises(Refer Note 26)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	20,412	11,101
	20,412	11,101
Note 8		
Other Current Liabilities		
Unclaimed Dividends	2,413	1,252
Advance Received from Customer	360	309
Provision for Expenses	1,973	792
Statutory Dues	3,117	1,583
Rent Equalisation Reserve	146	66
Employee Dues	3,267	3,643
Trade Payable for purchase of capital goods other than micro enterprises and small enterprises	18,216	15,582
	29,492	23,228
Note 9		
Short term Provision		
Leave Encashment (Refer Note No. 27)	229	157
Proposed Dividend	-	17,610
Tax on Proposed Dividend	-	3,585
	229	21,352



Notes to the financial statements for the year ended March 31, 2017

Note 10

Tangible and Intangible Assets

(₹ in '000)

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block		
	As At 1st April 2016	Additions during the year	Deductions/ Retirement during the year	As At 31st March 2017	As At 1st April 2016	For the Year	Deduction/ Adjustment during the year	As At 31st March 2017	As At 31st March 2016
A Property, Plant & Equipment									
Leasehold Land	2,194	923	-	3,117	-	25	-	3,092	2,194
Factory Building	7,067	24,005	-	31,071	3,207	401	-	27,463	3,859
Plant & Machinery	62,458	94,049	-	156,508	31,807	8,805	-	115,895	30,651
Furniture & Fixtures	4,567	240	-	4,807	3,850	185	-	772	718
Electrical Installation	1,225	2,264	-	3,490	1,193	10	-	2,287	31
Lab Equipment	954	-	-	954	773	46	-	135	181
Motor Car	10,176	-	-	10,176	6,718	1,033	-	2,425	3,458
Office Equipment	7,902	355	-	8,257	7,327	303	-	626	575
Computer	2,479	803	-	3,282	1,657	657	-	967	822
Office Building	134	-	-	134	89	2	-	43	45
Guest House	1,832	-	-	1,832	181	80	-	1,571	1,651
Total (A)	100,987	122,639	-	223,626	56,802	11,547	-	155,277	44,186
B Intangible Assets									
Patent Rights	10,303	2,737	-	13,040	3,310	995	-	8,735	6,993
Total (B)	10,303	2,737	-	13,040	3,310	995	-	8,735	6,993
C Capital Work In Progress									
	633	115,242	115,760	116	-	-	-	116	633
Total (C)	633	115,242	115,760	116	-	-	-	116	633
D Intangible Assets under Development									
Patent Rights	12,611	1,975	3,137	11,449	-	-	-	11,449	12,611
Software Development	-	339	-	339	-	-	-	339	-
Total (D)	12,611	2,314	3,137	11,788	-	-	-	11,788	12,611
Total (A+B+C+D)	124,534	242,931	118,896	248,570	60,112	12,542	-	175,916	64,423

Note : Building having Gross value of ₹ 134('000) (P.Y ₹ 134('000)) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the company in due course.



Notes to the financial statements for the year ended March 31, 2017

Note 10

Tangible and Intangible Assets

(₹ in '000)

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	As At 1st April 2015	Additions during the year	Deductions/Retirement during the year	As At 31st March 2016	For the Year	Deduction/Adjustment during the year	As At 31st March 2016	As At 31st March 2015
A Property, Plant & Equipment								
Leasehold Land	194	2,000	-	2,194	-	-	-	194
Factory Building	4,366	2,701	-	7,067	275	-	3,207	3,859
Plant & Machinery	62,325	133	-	62,458	6,659	-	31,807	37,178
Furniture & Fixtures	4,535	32	-	4,567	222	-	3,850	907
Electrical Installation	1,225	-	-	1,225	1	-	1,193	33
Lab Equipment	954	-	-	954	63	-	773	244
Motor Car	9,535	641	-	10,176	1,015	-	6,718	3,832
Office Equipment	7,810	92	-	7,902	367	-	7,327	850
Computer	1,723	756	-	2,479	314	-	1,657	380
Office Building	134	-	-	134	2	-	89	48
Guest House	1,832	-	-	1,832	85	-	181	1,736
Total (A)	94,633	6,354	-	100,987	9,003	-	56,802	46,836
B Intangible Assets								
Patent Rights	10,303	-	-	10,303	747	-	3,310	7,740
Total (B)	10,303	-	-	10,303	747	-	3,310	7,740
C Capital Work In Progress								
Total (C)	-	633	-	633	-	-	-	-
D Intangible Assets under Development								
Patent Rights	11,068	1,700	158	12,611	-	-	-	11,068
Total (D)	11,068	1,700	158	12,611	-	-	-	11,068
Total (A+B+C+D)	116,004	8,687	158	124,534	9,751	-	60,112	65,644

Note : Building having Gross value of ₹ 134('000) (P.Y ₹ 134('000)) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the company in due course.



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 11		
Non Current Investments		
Investment in Mutual Funds (Quoted) (Non Trade)		
DHFL Pramerica Arbitrage Fund - Quarterly Dividend- Nil units (P.Y 1,935,696.173 units)	-	20,000
DHFL Pramerica Arbitrage Fund - Monthly Dividend - Nil units (P.Y 961,307.378 Units)	-	10,000
DHFL Pramerica Short Maturity Fund-Growth- 321,976.852 units (P.Y 321,976.852 Units)	7,500	7,500
Franklin India FLEXI CAP Fund-Dividend - Nil units (P.Y 488,866.487 Units)	-	8,466
HDFC Corp Debt Opportunities Fund-Regular-2,687,329.243 units (P.Y 2,687,329.243 units)**	30,000	30,000
HDFC Short Term Plan - Monthly Dividend-1,308,358.61 units (P.Y 1,308,358.61 units)	13,580	13,580
HDFC TOP 200 Fund-Dividend-110,166.131unit (P.Y 110,166.131 units)	5,000	5,000
ICICI Prudential Equity Arbitrage Fund-Regular Plan -544,868.069 units (P.Y 544,868.069 units)	7,500	7,500
ICICI Prudential Short Term Plan - Retail Plan - Dividend -1,279,252.234 units (P.Y 1,279,252.234 units)	15,000	15,000
ICICI Prud. Equity Income Fund Regular Plan - 2,918,287.938 units (P.Y 2,918,287.938 units)	30,000	30,000
ICICI Prudential Equity Arbitrage Fund- Dividend - 727,452.606 units (P.Y Nil)	10,000	-
ICICI Prudential Value Discovery Fund- Dividend - 345,525.903 units (P.Y Nil)	11,394	-
IDFC Corporate Bond Fund Regular Plan - Growth - 952,961.805 units (P.Y Nil)	10,000	-
IDFC SSIF - Short Term - Plan A - Monthly Dividend Payout - 739,331.447 units (P.Y 739,331.447 units)	7,500	7,500
Reliance Regular Savings Fund-Debt Plan- Growth Plan Growth Option- 470,568.305 units (PY Nil)	10,000	-
Motilal Oswal Most Focused Multicap 35 Fund- Regular Dividend Reinvestments - 534,396.794 units (P.Y Nil)	10,935	-
Gross Total	168,409	154,546
Less: Provision for diminution in value in Investment	(681)	-
Net Investment in Mutual Fund	167,728	154,546
**Held as lien by bank against Letter of credit amounting to ₹ 8,725('000) (P.Y Nil)		
Investment in Equity Instruments-Non trade		
Unquoted Equity Share (Fully Paid)		
Shamrao Vithal Co op Bank	9	9
300 Equity Shares of ₹ 25/- each (P.Y 300 Shares)		
100 Equity Shares of ₹ 10/- each (P.Y 100 Shares)		
Investment in Equity Instruments-Trade		
Unquoted Equity Instruments:		
Investment in Subsidiaries		
Arrow Green Technologies (UK) Ltd 20,099 Equity shares of £1.00 each (P.Y 20,099 shares) (100% holding)	1,602	1,602
Arrow Secure Technology Pvt. Ltd 431,175 Equity shares of ₹ 10 each (P.Y. 431,175 shares) (100% holding)	2,200	2,200
Investment in Associates		
SP Arrow BioPolymer Products Private Limited - 4,600 Shares of ₹10 Each (P.Y 4,600 Shares) (46% holding)	46	46
Sphere Bio-Polymers Private Limited - 4,900 Shares of ₹ 10 Each (P.Y 4,900 Shares) (49% holding)	49	49
	171,633	158,452
Aggregate amount of Non-Current Investments		
Aggregate amount of quoted investments	168,409	154,546
Aggregate market value of quoted investments	183,326	158,618
Provision for diminution in value of investments	681	-
Aggregate amount of unquoted investments	3,905	3,905



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 12		
Long Term Loans and advances		
Capital Advances (Unsecured, considered good)	859	13,705
Security Deposit (Unsecured, considered good)	4,185	2,294
Advance Income Tax (Net of Provision for Taxation of ₹ 99,222('000), (P.Y 75,500('000))	7,449	4,145
	12,493	20,144
Note 13		
Other Non Current Assets		
Miscellaneous Expenditure-Right Issue	-	1,050
Fixed Deposits with maturity period for more than 12 months **	3,176	787
Interest Accrued but not due	16	5
	3,192	1,842
**Held as lien by bank against bank guarantee of ₹ 2,290('000) (P.Y 787('000))		
Note 14		
Inventories		
(For Valuation Method Refer Note 2(g))		
Raw materials and components	4,545	2,328
Work-in-progress	2,935	1,191
Finished goods	5,919	1,694
Stock in Trade	4,885	4,149
Stores and spares	1,028	-
	19,313	9,361
Raw Materials		
Polyvinyl Alcohol	1,468	1,225
Chemicals	2,777	450
Others	300	653
Total	4,545	2,328
Work in Progress		
Water Soluble Films	2,935	1,191
Finished Goods		
Water Soluble Films	5,919	1,694
Stock in Trade		
Cleaning Products	4,885	4,149



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Note 15		
Trade Receivable		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	561	220
Unsecured, considered doubtful	146	-
Less: Provision for doubtful debts	(146)	-
	561	220
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	17,408	5,524
	17,408	5,524
	17,969	5,744
Trade receivables include:		
Dues from Arrow Green Technologies (Uk). Ltd. which is subsidiary of the Company.	6,925	-
	6,925	-
Note 16		
Cash & Bank Balances		
(a) Cash & Cash Equivalents		
Balances with Banks		
On Current Accounts	7,729	9,519
Fixed Deposits with original maturity for less than 3 months**	24,359	41,560
Cash on Hand	132	2,047
	32,220	53,126
**Held as lien by bank against bank guarantee amounting to ₹ 500('000) (P.Y NIL)		
(b) Other Bank Balances		
Fixed Deposits with original maturity greater than 3 months and less than 12 months **	4,815	-
Unclaimed Dividend Account	2,413	1,255
	7,228	1,255
**Held as lien by bank against bank guarantee amounting to ₹ 1,444('000) (P.Y Nil)		
	39,448	54,381
Note 17		
Short Term Loans and Advances		
(Unsecured considered good)		
Advances to Suppliers		
Considered Good	533	1,450
Considered Doubtful	1,404	-
Less: Provision for doubtful Advance	(1,404)	-
	533	1,450
Staff Loans and Advances	1,270	1,139
Gratuity (Refer Note No. 27)	404	-
Balance with Government Authorities	15,969	5,272
	18,176	7,861



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Note 18		
Other Current Assets		
Interest Accrued but not due	183	254
Export Benefits	-	10,145
Accrued Income	-	15
Dividend Receivables	534	92
Others	618	767
	1,335	11,274
Note 19		
Revenue from Operation		
Sales of Products		
Finished goods	62,412	66,832
Traded goods	24,812	1,470
Sale of Services		
Royalty Income - Patent	228,610	164,986
Other Operating Revenue - Scrap Sale	149	-
Revenue from Operation (Gross)	315,983	233,288
Less: Excise Duty	7,177	6,655
Revenue from Operation (Net)	308,806	226,633
Detail of Sale of Products / Services		
Finished goods sold		
Water Soluble Films	62,412	66,832
Traded goods sold		
Cleaning Products	7,544	1,470
Other Business	17,269	-
Detail of Services Rendered		
Royalty Income	228,610	164,986
	315,835	233,288
Note 20		
Other Income		
Dividend Income		
From Investment in Mutual Fund	7,016	5,073
From Subsidiary Company	-	30,264
Interest Income		
On Fixed Deposit	1,475	1,588
On Electricity Deposits	14	32
Foreign Exchange Gain	-	1,008
Export Incentive	-	10,275
Net Gain on Sale of Investments	822	957
Miscellaneous Income	1,016	4,213
	10,343	53,410



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Note 21		
Cost of Raw Materials Consumed (Refer Note No - 28)		
Inventory at the beginning of the year	2,328	2,181
Add: Purchases	20,457	18,690
	22,785	20,871
Less: Inventory at the end of the year	4,545	2,328
Cost of raw material consumed	18,240	18,543
Purchase of Stock in Trade	19,760	5,850
Note 22		
Change in inventory of finished goods, work-in-progress & stock in trade		
Inventories at the end of the year		
Stock In Trade	4,885	4,149
Work-in-progress	2,935	1,191
Finished goods	5,919	1,694
	13,739	7,034
Inventories at the beginning of the year		
Stock In Trade	4,149	1,286
Work-in-progress	1,191	1,110
Finished goods	1,694	2,447
	7,034	4,843
	(6,706)	(2,191)
Note 23		
Employee Benefit Expenses		
Salary, Wages and Bonus	40,106	24,348
Contribution to Provident & Other Funds(Refer Note No. 27)	1,472	1,057
Gratuity and Leave Encashment (Refer Note No.27)	1,809	307
Staff Welfare Expenses	1,029	752
	44,416	26,463



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Note 24		
Other Expenses		
Consumption of stores and spares	840	984
Factory Expenses	2,104	1,813
Labour Charges	3,559	3,140
Electricity, Fuel & Water Charges	10,525	10,713
Repair & Maintenance - Building	396	-
Repair & Maintenance - Machinery	710	975
Repair & Maintenance - Other	2,032	3,022
Freight Expenses	1,626	803
Patent Charges	1,876	1,213
Patent Development Expenses W/off	400	158
Insurance Charges	240	204
Legal & Professional Charges	9,403	9,473
Donation	1,351	5,000
CSR Expenses (Refer Note No. 32)	1,755	1,151
Commission on Sales	-	100
Rent	4,590	3,007
Bad Debts	1	30
Foreign Exchange Loss (Net)	1,236	-
Auditors Remuneration (Refer to Note No.36)	1,253	983
Provision For Doubtful Advance	1,404	-
Diminution in Value of Investment	681	-
Provision For Doubtful debts	146	-
Right issue expenses written off	1,050	175
Sundry Balances written off	2,278	4,477
Travelling & Conveyance Exp	12,118	7,870
Miscellaneous Expenses	13,943	7,541
	75,518	62,832

25 Contingent liabilities and Commitments:

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(i) Contingent Liabilities		
(a) Sales tax matters not acknowledged as debt	80,495	14,982
(b) Income tax matters not acknowledged as debt	6,888	-
(c) Bank Guarantees given	4,235	701
Total	91,618	15,683

26 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors.


Notes to the financial statements for the year ended March 31, 2017
27 Defined Benefit Plan
a) Gratuity

The employees gratuity fund scheme is funded. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognises each period of service as giving rise to additional unit of employees benefits entitlement.

₹ in '000

Table showing changes in Present Value of Projected Benefit Obligation		
Particulars	2016-17	2015-16
Opening Projected Benefit Obligation	1,096	894
Current Service Cost	1,743	202
Benefits Paid	(1,111)	-
Actural Losses on Obligation - Due to experience	15	-
Closing Projected Benefit Obligation	1,743	1,096

₹ in '000

Table showing change in Fair Value of Plan Assets		
Particulars	2016-17	2015-16
Opening fair value of Plan assets	817	817
Contributions by employer	1,299	-
Benefits Paid	(16)	-
Actuarial gains on Plan Assets	47	-
Closing fair value of plan assets	2,147	817

₹ in '000

Balance Sheet Reconciliation		
Particulars	2016-17	2015-16
Opening Projected Benefit Obligation	1,096	894
Opening fair value of Plan assets	(817)	(817)
Expense recognised in Statement of Profit & Loss A/c	1,743	202
Benefits Paid to employees	(1,127)	-
Contributions by employer	(1,299)	-
Net (Asset) / Liability recognised in the Balance sheet	(404)	279

₹ in '000

Expenses Recognized in the Statement of Profit or Loss		
Particulars	2016-17	2015-16
Current service cost	1,743	202
Net actuarial (gain)/loss recognized in the year	(32)	-
Net benefit expense	1,711	202

₹ in '000

Experience Adjustment		
Particulars	2016-17	2015-16
Actuarial (Gains)/Losses on Obligations - Due to Experience	15.4	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	47.3	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2016-17	2015-16
Investments with insurer	100%	-



Notes to the financial statements for the year ended March 31, 2017

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

Particulars	2016-17	2015-16
Discount rate	7.39%	-
Expected rate of return on assets	7.39%	-
Employee turnover	Service <5 - 10% Service >=5 - 3%	-
Healthcare cost increase rate	N.A	-

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.

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.

b) Leave Encashment

Provision towards liability towards leave encashment made on the basis of actuarial valuation as per Accounting Standard 15(Revised). Actuarial Value of Liability is ₹ 97('000) (P.Y. ₹105('000)).

c) Defined Contribution Plan

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

₹ in '000

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	1,231	787

28 Details of Raw Material Consumed.

₹ in '000

Particulars	2016-17	2015-16
Polyvinyl Alcohol	12,560	13,261
Chemicals	3,660	2,399
Others	2,020	2,883
Total	18,240	18,543

29 Based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17) specified in the Companies (Accounting Standards) Rules 2006, the Company is primarily engaged in the business of Manufacturing of Water Soluble Film. As the Company's business activity falls within a single primary business segment, the disclosure requirements of AS-17 in this regard are not applicable.

30 Related Party Disclosure as required by Accounting Standard 18 of the Institute of Chartered Accountants of India. Related parties as defined under clause 3 of the Accounting standard have been identified on the basis of representation made by management.

i) List of Related Parties with whom transaction entered :-

Name of Related Party	Relationship
Arrow Green Technologies (U.K.) Ltd Arrow Secure Technology Pvt. Ltd	Subsidiary Company
Advance IP Technology Ltd.	Step Down Subsidiary Company
SP Arrow Bio-Polymer Products Private Limited Sphere Bio-Polymers Private Limited	Associate Company
Mr. Shilpan P. Patel (CMD) Mr. Neil Patel Mr. Navin Narayan Jha Mr. Hitesh Punglia Mrs. Poonam Bansal	Key Management Personnel
Mrs. Jigisha S Patel	Relative of Key Management Personnel
Grace Paper Industries Private Limited. Arrow Convertors Private Limited Avery Bio –Degradable Products Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence



Notes to the financial statements for the year ended March 31, 2017

ii) Transaction with Related Parties & Outstanding Balance as on 31st March, 2017

(₹ in '000)

Sale of goods and services	Arrow Green Technologies (Uk) Ltd		Advance IP Technologies Ltd	
	2016-17	2015-16	2016-17	2015-16
Sale of Finished Goods	-	831	-	-
Sale of services	184,490	142,780	44,120	22,206
Balance at the year end	6,925	-	-	-

(₹ in '000)

Expenses	Shilpan P. Patel		Arrow Convertors Private Limited	
	2016-17	2015-16	2016-17	2015-16
Rent Expenses	840	1,475	405	-
Balance at the year end	-	27	-	-

(₹ in '000)

Purchase of goods	Grace Paper Industries Private Limited	
	2016-17	2015-16
Purchase of Stores and Spares	146	913

(₹ in '000)

Investment in Subsidiary	Arrow Green Technologies (U.K.) Ltd		Arrow Secure Technology Pvt. Ltd	
	2016-17	2015-16	2016-17	2015-16
Balance at the year end	1,602	1,602	2,200	2,200

(₹ in '000)

Investment in Associates	SP Arrow Bio-Polymer Products Private Limited		Sphere Bio-Polymers Private Limited	
	2016-17	2015-16	2016-17	2015-16
Balance at the year end	46	46	49	49

(₹ in '000)

Purchase of Capital Goods	Avery Bio Degradable Products Private Limited	
	2016-17	2015-16
Purchase of Capital Assets	15,750	4,275
Balance at the year end	-	4,275

(₹ in '000)

Remuneration to Key Managerial Personnel & Relatives	2016-17	2015-16
Mr. Shilpan P. Patel - Managing Director	7,500	6,000
Mr. Neil Patel - Whole Time Director	4,200	2,400
Mrs. Jigisha Patel	450	-
Mr. Hitesh Punglia - Chief Financial Officer *	2,703	-
Mr. Narayan Navin Jha - Chief Financial Officer*	62	498
Mrs. Poonam Bansal - Company Secretary	806	762

*(Mr. Narayan Navin Jha resigned on 16th May,2016 and Mr. Hitesh Punglia take the charge of CFO on the same date)



Notes to the financial statements for the year ended March 31, 2017

31 Earnings per share (EPS)

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

Particulars	(₹ in '000)	
	2016-17	2015-16
Net Profit after Tax as per Statement of Profit & Loss Account	128,679	112,293
Weighted average number of shares used in computing earning per equity share		
For Basic EPS	11,739,948	11,739,948
For Diluted EPS	11,739,948	11,739,948
Basic earning per share (₹)	10.96	9.57
Diluted earning per share (₹) (on nominal value of ₹ 10/- per share)	10.96	9.57

32 Details of CSR expenditure

Particulars	(₹ in '000)	
	2016-17	2015-16
(a) Gross amount required to be spent by the Company during the year	1,894	1,151
(b) Amount spent during the year		
In Cash	1,755	1,151
Total	1,755	1,151

33 As stipulated in Accounting Standard 28, the company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

34 During the year, the Company has specified Bank Notes or other denomination Notes as defined in the MCA Notification, G.S.R. 308(E) dated March 31, 2017. The details of SBNs held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the Notification are as follows;

Particulars	(₹ in '000)		
	SBN	Other Denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	1,325	2	1,327
Add: Permitted Receipts	-	608	608
Less: Permitted Payments	-	(215)	(215)
Less: Amount Deposited in Banks	(1,325)	(8)	(1,333)
Closing Cash in Hand as on December 30, 2016	-	388	388

35 Derivative Instruments and Unhedge Foreign Currency exposure

a) Derivative Instrument Outstanding as at the Reporting date

Particulars	Foreign Currency & ₹ in '000			
	2016-17		2015-16	
Forward contract to buy USD	USD 110.6	INR 7,322	-	-

Above derivative instrument have been acquired for hedging purpose.


Notes to the financial statements for the year ended March 31, 2017

b) Particulars of Unhedged Foreign Currency Exposures as at the Reporting date

Foreign Currency & ₹ in '000

Particulars	2016-17		2015-16	
	Trade Receivables	EURO 100.49	INR 6,958.89	EURO 0.49
	GBP 0.02	INR 1.73	GBP 0.02	INR 2.05
	USD 0.99	INR 63.86	JPY 2136	INR 1,256.03
Trade Payables	USD 2.75	INR 177.95	USD 2.75	INR 181.41
	-	-	GBP 106.24	INR 10,089.3

36 Payment to auditor
(₹ in '000)

Particulars	2016-17	2015-16
As Auditor		
Audit Fees	800	435
Tax Audit Fees	200	147
Limited Review	200	135
In other capacity		
Taxation matters	-	133
Certification Work	50	132
Reimbursement of expenses	3	-
Total	1,253	983

37 Value of imports calculated on CIF basis
(₹ in '000)

Particulars	2016-17	2015-16
Raw Materials	-	-
Stock In Trade	15,870	3,443
Capital goods	20,221	-
Total	36,090	3,443

38 Expenditure in foreign currency (accrual basis)
(₹ in '000)

Particulars	2016-17	2015-16
Purchase of Stock in Trade	15,870	3,443
Patent Fees	1,461	767
Travelling and Conveyance	4,754	3,632
Total	22,085	7,842

39 Imported and indigenous raw materials, components and spare parts consumed
(₹ in '000)

Particulars	2016-17	%	2015-16	%
Raw material				
Imported	-	-	-	-
Indigenous	18,240	100%	18,543	100%
Total	18,240	100%	18,543	100%
Store & Spares				
Imported	-	-	-	-
Indigenous	840	100%	984	100%
Total	840	100%	984	100%


Notes to the financial statements for the year ended March 31, 2017
40 Net dividend remitted in foreign exchange

Particulars	2016-17	2015-16
Number of non-resident Shareholders	1	1
Nos. of shares on which remittance were made	180,000	180,000
Amount remitted (₹ in '000)	270	990

41 Earnings in foreign currency (accrual basis)

(₹ in '000)

Particulars	2016-17	2015-16
Sales in Exports	2,221	6,978
Royalty Income	228,610	164,986

42 Disclosure in respect of Leases
Operating Lease

(₹ in '000)

a) Particulars	2016-17	2015-16
Minimum lease Payments for a period :-		
Not later than 1 year	4,799	3,545
Later than 1 year but not more than 5 years	12,214	11,526
Total	17,013	15,071

- b) Lease payments recognised in the statement of Profit & Loss for the period April 01, 2016 to March 31, 2017- ₹ 4,590('000) (P.Y. ₹ 3,007('000)).

43 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As Per our report of even date.

For Haribhakti & Co LLP

Chartered Accountants
ICAI FRN No. 103523W / W100048

Snehal Shah

Partner
Membership No. 048539

Place : Mumbai

Date : May 27, 2017

For and on behalf of the Board of Directors
Shilpan Patel

Managing Director
DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Whole time Director
DIN No - 00607101

Poonam Bansal

Company Secretary



CONSOLIDATED FINANCIALS

2016-17



Independent Auditor's Report

To the Members of Arrow Greentech Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Arrow Greentech Limited (hereinafter referred to as "the Holding Company"), 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, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act and relevant rules thereon. The respective Board of Directors of the companies included in the Group and 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 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 3 subsidiary companies (including 1 step down subsidiary) whose financial statements reflects total assets of ₹ 593,587 thousands and net assets of ₹ 564,397 thousands as at March 31, 2017, total revenues of ₹



473,375 thousands and net cash flows amounting to ₹ 43,276 thousands for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include Group's share of Net profit of ' Nil for the year ended March 31, 2017, as considered in the Consolidated Financial Statements, in respect of 2 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 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.

From the above subsidiaries, 2 subsidiary companies (including 1 step down subsidiary) are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The 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 Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The Consolidated Financial Statements of the Group and its associates for the previous year ended March 31, 2016, were audited by a firm of Chartered Accountants other than the present auditors who have expressed a modified opinion on those statements vide their report dated May 14, 2016.

Our opinion on the Consolidated Financial Statements and our report on the 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 financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding Company so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read, with relevant rules thereon;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its 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, 2017 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 over financial reporting of the Group except its subsidiary located outside India, and its associates, and the operating effectiveness of such controls, we give our separate Report in the "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 26 to the Consolidated Financial Statements;
 - (ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 35 to



the Consolidated Financial Statements in respect of such items as it relates to the Group and its associates and (b) the Group's share of net profit / loss in respect of its associates;

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies incorporated in India.
- (iv) The Holding Company and its subsidiary company incorporated in India have provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed by us and based on the reports of other auditors, we report that the disclosures are in accordance with the books of account maintained by the Holding Company and its subsidiary company (Refer Note 34 to the Consolidated Financial Statements).

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Snehal Shah

Partner

Membership No.048539

Place : Mumbai

Date : May 27, 2017



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the Consolidated Financial Statements for the year ended March 31, 2017]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of Arrow Greentech Limited (“the Company”), its subsidiary companies (the Holding Company and its subsidiary companies together referred to as “the Group”) and its Associates as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Group 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 of the Group and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 consolidated 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company & 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

Place : Mumbai
Date : May 27, 2017


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in '000)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	3	117,399	117,399
(b) Reserves and Surplus	4	844,444	576,423
		961,843	693,822
2 Minority Interest		17,945	12,601
3 Non Current Liabilities			
(a) Long Term Borrowings	5	444	522
(b) Deferred tax liabilities (Net)	6	6,427	2,431
(c) Long-term provisions	7	532	647
		7,403	3,600
4 Current Liabilities			
(a) Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		22,937	22,774
(b) Other current liabilities	9	29,827	30,219
(c) Short-term provisions	10	229	93,489
		52,993	146,482
TOTAL		1,040,184	856,505
II. ASSETS			
1 Non Current Assets			
(a) Fixed Assets	11		
Property, Plant and Equipment		250,073	149,435
Intangible assets		8,978	7,283
Capital work-in-progress		116	633
Intangible assets under development		11,788	12,611
Goodwill on Consolidation		2,701	2,701
(b) Non-current investments	12	165,631	152,449
(c) Long-term loans and advances	13	27,079	24,799
(d) Other non-current assets	14	3,192	1,865
		469,559	351,775
2 Current assets			
(a) Inventories	15	19,746	9,938
(b) Trade receivables	16	95,995	55,878
(c) Cash and Bank Balances	17	434,666	406,323
(d) Short-term loans and advances	18	18,650	21,312
(e) Other current assets	19	1,568	11,277
		570,625	504,728
TOTAL		1,040,184	856,505
Notes along with summary of significant accounting policies form an integral part of the consolidated financial statements	1 to 40		

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director
DIN No - 00341068

Hitesh Punglia
Chief Financial Officer

Neil Patel
Whole time Director
DIN No - 00607101

Poonam Bansal
Company Secretary


CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

		(₹ in '000)	
Particulars	Notes	Year Ended 31.03.2017	Year Ended 31.03.2016
I Income			
Revenue from Operation	20	533,222	514,815
Less: Excise Duty		7,177	6,655
		526,045	508,160
II Other Income	21	37,868	46,765
III Total Revenue (I+II)		563,913	554,925
IV Expenses			
Cost of raw materials consumed	22	18,240	18,543
Purchase of Stock in Trade		19,760	5,850
Change in inventory of finished goods, work-in-progress & stock in trade	23	(6,606)	(2,159)
Employee Benefit Expenses	24	45,323	27,343
Depreciation and amortization expense	11	16,130	10,567
Other Expenses	25	89,232	85,881
Total Expense		182,079	146,025
V Profit before tax (III-IV)		381,834	408,900
VI Tax Expenses			
Current Tax		54,819	99,077
Tax in respect of earlier years		(14,105)	(1,895)
Deferred Tax		3,995	(604)
Total Tax Expenses		44,709	96,578
VII Profit after Tax but before Minority Interest (V-VI)		337,126	312,322
VIII Less: Share of Profit attributable to Minority Interest		5,343	6,735
Net Profit For the Year (VII-VIII)		331,782	305,587
IX Earnings per equity share of face value of ₹ 10 (P.Y. ₹ 10) each			
Basic (in ₹)	31	28.26	26.03
Diluted (in ₹)		28.26	26.03
Notes along with summary of significant accounting policies form an integral part of the consolidated financial statements	1 to 40		

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director
DIN No - 00341068

Hitesh Punglia
Chief Financial Officer

Neil Patel
Whole time Director
DIN No - 00607101

Poonam Bansal
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2017

(₹ in '000)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Cash Flow from operating activities		
Net Profit before tax	381,834	408,900
Adjustments :		
Depreciation and Amortization expenses	16,130	10,567
Bad Debts	1	31
Exchange differences on translation of assets & liabilities	2	-
Diminution in Value of Investment	681	-
Provision For Doubtful Debt	146	-
Provision For Doubtful Advances	1,404	-
Deferred Right issue expenses written off	1,050	199
Sundry balance written off	2,278	4,477
Patent Development Expenses written off	400	158
Export Incentive	-	(10,275)
Net gain on sale of Long term Investments	(822)	(957)
Interest Income	(1,691)	(1,632)
Dividend Income	(19,857)	(5,073)
Operating profit before working capital changes	381,556	406,395
Movements in working capital :		
Increase / (decrease) in Trade payables	(6,214)	(14,239)
Increase / (decrease) in Provisions	(42)	1,363
Increase / (decrease) in Other current liabilities	(4,188)	6,544
Decrease / (increase) in Trade receivables	(97,652)	(64,380)
Decrease / (increase) in Inventories	(9,808)	(2,309)
Decrease / (increase) in Loans and advances	3,272	31,517
Decrease / (increase) in Other current assets	7,803	(15,606)
Cash generated from operations	274,728	349,286
Direct taxes paid	(107,497)	(75,893)
Net cash flow from/ (used in) operating activities (A)	167,231	273,394
Cash flows from investing activities		
Inflow		
Interest received	1,773	1,541
Sale of Long term investments	30,308	13,441
Dividends received	19,415	5,073
Outflow		
Purchase of fixed assets, including CWIP	(125,291)	(63,464)
Purchase of Long term investments	(42,668)	(16,443)
Investments in Bank Deposits	(7,204)	(787)
Net cash flow used in investing activities (B)	(123,666)	(60,640)
Cash flows from financing activities		
Dividend paid on equity shares	(17,610)	(64,570)
Tax on equity dividend paid	(3,585)	(6,641)
Net cash flow used in in financing activities (C)	(21,195)	(71,211)
Net increase in cash and cash equivalents (A + B + C)	22,370	141,543
Cash and cash equivalents at the beginning of the year	405,068	263,525
Cash and cash equivalents at the end of the year	427,438	405,068
Components of cash and cash equivalents (Refer Note 17)		
Cash on hand		
Bank Balances	140	2,056
- in Current Account	402,939	361,451
- in Fixed deposits with original maturity for less than 3 months	24,359	41,561
Total cash and cash equivalents	427,438	405,068

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539
Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director
DIN No - 00341068
Hitesh Punglia
Chief Financial Officer

Neil Patel
Whole time Director
DIN No - 00607101
Poonam Bansal
Company Secretary



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

1. Corporate Information

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

2a. Basis of Consolidation

- a) The consolidated financial statement relates to the Arrow Greentech Ltd., the holding company, its subsidiary Arrow Green Technologies (UK) Ltd incorporated in UK, Step down Subsidiary Advance IP Technologies Limited (Subsidiary of Arrow Green Technologies (UK) Ltd formerly known as Arrow Coated Products (UK) Ltd.) and Arrow Secure Technology Pvt.Ltd. and its Associate SP Arrow Bio-Polymers Pvt. Ltd and Sphere Bio-Polymers (P) Ltd.
- b) The consolidated financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- c) Goodwill represents the difference between the company's share in the net worth of subsidiaries and the cost of acquisition at the time of making the investment in the subsidiaries. For this purpose the company's share of net worth is determined on the basis of latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. The goodwill recorded in these consolidated financial statements has not been amortized, but instead evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired.
- d) In case of associates where the company directly or indirectly through subsidiaries hold more than 20% of equity or the company exercises significant influence through representation of the Board of directors of the other Companies, Investment are accounted for using Equity Method in accordance with Accounting Standard (AS-23)"Accounting for Investments in Associates in Consolidated financial statements issued by the Institute of Chartered Accountants of India.
- e) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the currency fluctuation reserve.
- f) Minority Interest's share of net profit of the Group for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- g) Minority Interest's share of net assets of the Group is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

2b. Significant accounting policies

a) Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- (i) Sale of goods: Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are net of value added taxes and excise duty.



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

- (ii) Income from services is recognised (net of service tax as applicable) as they are rendered, based on agreement /arrangement with the concerned parties.
- (iii) Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.
- (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

Property, Plant and Equipment :

Property, Plant and Equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of Property, Plant and Equipment includes taxes, duties, freight, borrowing cost, if capitalization criteria are met and other incidental expenses incurred in relation to their acquisition/ bringing the assets for their intended use.

Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

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.

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

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.

e) 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 fixed assets on the completion of project

f) Investments

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

Holding of investment in Subsidiaries and Associates Companies are strategic importance to the company and therefore the company does not consider it necessary to provide decrease in the book value of such investment, till such relationship continues with the investee company.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g) Inventories

- (i) Raw Materials, Stores and Spares are valued at lower of cost arrived on FIFO method and Net Realisable Value.
- (ii) Work-in-progress and Finished Goods are valued at lower of cost and Net Realisable Value. Cost includes direct material, direct labour, excise duty and attributable overheads.
- (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.

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.

h) Retirement and other employee benefits

- (i) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Consolidated Consolidated Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

- (ii) Gratuity and Leave Encashment liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method.
- (iii) Compensated absences are provided for based on actuarial valuation on projected unit credit method.
- (iv) Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred.

i) Research and Development Cost

Revenue expenditure pertaining to research is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a products' technical feasibility has been established, in which case such expenditure is capitalized. 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. Fixed assets utilized for research and development are capitalized and depreciated in accordance with the policies stated for Fixed Assets.

j) Leases (where the company is lessee)

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

l) Foreign Currency Transaction

Transactions in foreign currencies are accounted at the initially recorded exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the year-end rates. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in Consolidated Statement of Profit and Loss.

In case of forward contracts (non-speculative), the premium or discount being the differences between the forward exchange rate and the exchange rate at the inception of the contract is recognized as expense or income over the life of the contract. The exchange difference either on settlement or translation is recognized in the Consolidated Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are reported using the exchange rate prevalent at the date of transaction. Investments in shares of foreign subsidiary companies are expressed in Indian currency at the rates of exchange prevailing at the time when the original investments were made.

The company classifies all its foreign operations as "non-integral foreign operations." The financial statements of non-integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their Consolidated Statement of Profit and Loss are translated at exchange rates prevailing at the dates of transactions or weighted average daily rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the Consolidated Statement of Profit and Loss.

m) Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of timing differences between taxable income and accounting income during the current year and reversal of timing differences of earlier years.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted / substantively enacted at the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which is recognized based on virtual certainty, supported by convincing evidence that the assets will be realized in future against future taxable profits.



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Carrying amount of deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised against future taxable income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax asset and deferred tax liability relate to same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. 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 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.

q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

r) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and Interim dividend are recorded as a liability on the date of the declaration by the company's Board of Directors



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 3 Share Capital		
Authorised Capital : 1,50,00,000 (P. Y. 1,50,00,000) Equity Shares of ₹ 10/- each	150,000	150,000
Issued, Subscribed and Paid Capital 1,17,39,948 (P. Y. 1,17,39,948 Equity Shares) of ₹ 10/- each fully paid up	117,399	117,399
	117,399	117,399

Notes:

a) 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.

The Board of Directors at their meeting held on May 27, 2017, recommended dividend & special dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of ₹ 4.5/- & ₹ 1.1/- per equity share of ₹ 10/- each respectively.

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.

- b) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates Nil (P.Y Nil)
- c) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil (P.Y Nil)

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

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares held	₹ In '000	No. of Shares held	₹ In '000
At the beginning of the year	11,739,948	117,399	11,739,948	117,399
Outstanding at the end of the year	11,739,948	117,399	11,739,948	117,399

e) Shareholder Holding more than 5%

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Arrow Convertors Pvt Ltd	1,196,014	10.19%	1,196,014	10.19%
Jigisha S. Patel	1,718,503	14.64%	1,718,503	14.64%
Shilpan P. Patel	3,326,342	28.33%	3,476,342	29.61%
Shilpan Patel (HUF)	899,316	7.66%	899,316	7.66%



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 4		
Reserves and Surplus		
General Reserve	200	200
Capital Reserve	8,218	8,218
Securities Premium Reserve	29,199	29,199
Currency Fluctuation Reserve		
Balance as per last account	(42,982)	(27,987)
Add : During the year	(63,762)	(14,995)
Closing Balance	(106,744)	(42,982)
Surplus in the Consolidated Statement of Profit and Loss		
Balance as per last financial statements	581,788	339,309
Add : Profit for the year	331,782	305,587
	913,570	644,896
Less: Appropriations		
Interim equity dividend (31 st March 2017: Nil, 31 st March 2016 : ₹ 3)	-	40,875
Proposed final equity dividend (31 st March 2017 : Nil, 31 st March 2016: ₹ 1.5)	-	17,610
Tax on proposed equity dividend	-	4,624
Total appropriations	-	63,109
Net surplus in the Consolidated Statement of Profit and Loss	913,570	581,788
Total Reserves and Surplus	844,444	576,423
Note 5		
Long Term Borrowings		
Unsecured		
From Directors	114	136
From Others	330	386
	444	522
Note 6		
Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Related to Fixed Assets	7,748	2,431
Deferred Tax Assets		
Disallowance under Income Tax Act, 1961	(1,321)	-
	6,427	2,431
Note 7		
Long Term Provision		
Leave Encashment (Refer Note No. 28)	532	368
Gratuity (Refer Note No. 28)	-	279
	532	647
Note 8		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 27)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	22,937	22,774
	22,937	22,774



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 9		
Other Current Liabilities		
Unclaimed Dividends	2,413	1,252
Advance Received from Customer	361	618
Provision for Expenses	2,296	792
Statutory Dues	3,128	8,266
Rent Equalisation Reserve	146	66
Employee Dues	3,267	3,643
Trade Payable for purchase of capital goods other than micro enterprises and small enterprises	18,216	15,582
	29,827	30,219
Note 10		
Short term Provision		
Leave Encashment (Refer Note No. 28)	229	157
Provision for Income Tax (Net of Advance Tax of P.Y ₹ 53,306('000))	-	72,137
Proposed Dividend	-	17,610
Tax on Proposed Dividend	-	3,585
	229	93,489



Notes to the consolidated financial statements for the year ended March 31, 2017

Note 11

Tangible and Intangible Assets

(₹ in '000)

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block				
	As At 1st April 2016	Additions during the year	Deductions/Retirement during the year	Translation Adjustments 2017	As At 31st March 2017	As At 1st April	For the Year during the year	Deduction/Adjustment	Translation Adjustments	As At 31st March 2017	As At 31st March 2016
A Property, Plant and Equipment											
Leasehold Land	2,194	923	-	-	3,117	-	25	-	-	3,092	2,194
Factory Building	61,831	24,005	-	(575)	85,261	3,207	1,576	-	(92)	80,569	58,624
Plant & Machinery	66,266	98,339	-	(910)	163,694	33,496	10,295	-	(1,081)	120,983	32,769
Furniture & Fixtures	4,567	240	-	-	4,807	3,850	185	-	-	772	718
Electrical Installation	1,225	2,264	-	-	3,490	1,193	10	-	-	2,287	31
Lab Equipment	954	-	-	-	954	773	46	-	-	135	181
Motor Car	10,176	-	-	-	10,176	6,718	1,033	-	-	2,425	3,458
Office Equipment	8,034	355	-	-	8,389	7,458	303	-	-	628	576
Computer	2,707	803	-	(69)	3,441	1,722	684	-	(7)	2,399	985
Office Building	134	-	-	-	134	89	2	-	-	43	45
Guest House	50,034	-	-	(10,931)	39,103	181	889	-	(63)	38,096	49,853
Total (A)	208,122	126,929	-	(12,485)	322,565	58,687	15,048	-	(1,242)	72,492	149,435
B Intangible Assets											
Patent Rights	10,666	2,737	-	41	13,444	3,383	1,082	-	1	4,466	7,283
Total (B)	10,666	2,737	-	41	13,444	3,383	1,082	-	1	4,466	7,283
C Capital Work In Progress											
Progress	633	115,242	115,760	-	116	-	-	-	-	116	633
Total (C)	633	115,242	115,760	-	116	-	-	-	-	116	633
D Intangible Assets under Development											
Patent Rights	12,611	1,975	3,137	-	11,449	-	-	-	-	11,449	12,611
Software Development	-	339	-	-	339	-	-	-	-	339	-
Total (D)	12,611	2,314	3,137	-	11,788	-	-	-	-	11,788	12,611
Total (A+B+C+D)	232,032	247,221	118,896	-12,444	347,913	62,070	16,130	-	-1,241	76,959	169,962

Note : Building having Gross value of ₹ 134('000) (P.Y ₹ 134('000)) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the company in due course.



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

Note 11
Tangible and Intangible Assets

(₹ in '000)

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block	
	As At 1st April 2015	Additions during the year	Deductions/ Retirement during the year	As At 31st March 2016	For the Year	Deduction/ Adjustment during the year	As At 31st March 2016	As At 31st March 2015
A Property, Plant and Equipment								
Leasehold Land	194	2,000	-	2,194	-	-	-	194
Factory Building	4,366	2,701	-	7,067	275	-	3,207	1,433
Plant & Machinery	66,133	133	-	66,266	7,365	-	33,496	40,002
Furniture & Fixtures	4,535	32	-	4,567	222	-	3,850	907
Electrical Installation	1,225	-	-	1,225	1	-	1,193	33
Lab Equipment	954	-	-	954	63	-	773	244
Motor Car	9,535	641	-	10,176	1,015	-	6,718	3,832
Office Equipment	7,942	92	-	8,034	367	-	7,458	852
Computer	1,752	956	-	2,707	351	-	1,722	381
Office Building	134	-	-	134	2	-	89	48
Guest House	50,034	54,765	-	104,798	85	-	181	49,938
Total (A)	146,804	61,318	-	208,122	9,747	-	58,687	97,864
B Intangible Assets								
Patent Rights	10,666	73	-	10,739	820	57	3,456	7,973
Total (B)	10,666	73	-	10,739	820	57	3,456	7,973
C Capital Work In Progress								
	-	633	-	633	-	-	-	-
Total (C)	-	633	-	633	-	-	-	-
D Intangible Assets under Development								
Patent Rights	11,068	1,700	158	12,611	-	-	-	11,068
Total (D)	11,068	1,700	158	12,611	-	-	-	11,068
Total (A+B+C+D)	168,538	63,724	158	232,105	10,567	57	62,142	116,905

Note : Building having Gross value of ₹ 134('000) (P.Y ₹ 134('000)) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the company in due course.



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 12		
Non Current Investments		
Investment in Mutual Funds (Quoted) (Non Trade)		
DHFL Pramerica Arbitrage Fund - Quarterly Dividend- Nil units (P.Y 1,935,696.173 units)	-	20,000
DHFL Pramerica Arbitrage Fund - Monthly Dividend - Nil units (P.Y 961,307.378 Units)	-	10,000
DHFL Pramerica Short Maturity Fund-Growth- 321,976.852 units (P.Y 321,976.852 Units)	7,500	7,500
Franklin India FLEXI CAP Fund-Dividend - Nil units (P.Y 488,866.487 Units)	-	8,466
HDFC Corp Debt Opportunities Fund-Regular-2,687,329.243 units (P.Y 2,687,329.243 units)**	30,000	30,000
HDFC Short Term Plan - Monthly Dividend-1,308,358.61 units (P.Y 1,308,358.61 units)	13,580	13,580
HDFC TOP 200 Fund-Dividend-110,166.131unit (P.Y 110,166.131 units)	5,000	5,000
ICICI Prudential Equity Arbitrage Fund-Regular Plan -544,868.069 units (P.Y 544,868.069 units)	7,500	7,500
ICICI Prudential Short Term Plan - Retail Plan - Dividend -1,279,252.234 units (P.Y 1,279,252.234 units)	15,000	15,000
ICICI Prud. Equity Income Fund Regular Plan - 2,918,287.938 units (P.Y 2,918,287.938 units)	30,000	30,000
ICICI Prudential Equity Arbitrage Fund- Dividend - 727,452.606 units (P.Y Nil)	10,000	-
ICICI Prudential Value Discovery Fund- Dividend - 345,525.903 units (P.Y Nil)	11,394	-
IDFC Corporate Bond Fund Regular Plan - Growth - 952,961.805 units (P.Y Nil)	10,000	-
IDFC SSIF - Short Term - Plan A - Monthly Dividend Payout - 739,331.447 units (P.Y 739,331.447 units)	7,500	7,500
Reliance Regular Savings Fund-Debt Plan- Growth Plan Growth Option- 470,568.305 units (PY Nil)	10,000	-
Motilal Oswal Most Focused Multicap 35 Fund- Regular Dividend Reinvestments - 534,396.794 units (P.Y Nil)	10,935	-
Gross Total	168,409	154,546
Less: Provision for diminution in value in Investment	(681)	-
Net Investment in Mutual Fund	167,728	154,546
**Held as lien by bank against Letter of credit amounting to ₹ 8,725('000) (P.Y Nil)		
Investment in Equity Instruments-Non trade		
Unquoted Equity Share (Fully Paid)		
Shamrao Vithal Co op Bank	9	9
300 Equity Shares of ₹ 25/- each (P.Y 300 Shares)		
100 Equity Shares of ₹ 10/- each (P.Y 100 Shares)		
Investment in Associates		
SP Arrow BioPolymer Products Private Limited - 4,600 Shares of ₹10 Each (P.Y 4,600 Shares) (46% holding)	46	46
Sphere Bio-Polymers Private Limited - 4,900 Shares of ₹ 10 Each (P.Y 4,900 Shares) (49% holding)	49	49
Accumulated Share of Loss of Associate Companies	(2,201)	(2,201)
	165,631	152,449
Aggregate amount of Non-Current Investments		
Aggregate amount of quoted investments	168,409	147,047
Aggregate market value of quoted investments	183,326	158,618
Provision for diminution in value of investments	681	-
Aggregate amount of unquoted investments	(2,097)	(2,097)



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
Note 13		
Long Term Loans and advances		
Capital Advances (Unsecured, considered good)	18,600	22,504
Security Deposit (Unsecured, considered good)	4,185	2,295
Advance Income Tax (Net of Provision for Taxation of ₹ 166,155('000))	4,294	-
	27,079	24,799
Note 14		
Other Non Current Assets		
Miscellaneous Expenditure-Right Issue	-	1,050
Fixed Deposits with maturity period for more than 12 months **	3,176	787
Interest Accrued but not due	16	28
	3,192	1,865
**Held as lien by bank against bank guarantee of ₹ 2,290('000) (P.Y 787('000))		
Note 15		
Inventories		
(For Valuation Method Refer Note 2b(g))		
Raw materials and components	4,545	2,330
Work-in-progress	2,935	1,191
Finished goods	5,919	1,693
Stock in Trade	5,360	4,724
Stores and spares	987	-
	19,746	9,938
Raw Materials		
Polyvinyl Alcohol	1,468	1,225
Chemicals	2,777	450
Others	300	653
Total	4,545	2,328
Work in Progress		
Water Soluble Films	2,935	1,191
Finished Goods		
Water Soluble Films	5,919	1,693
Stock in Trade		
Cleaning Products	4,885	4,149
Water Soluble Films	475	575
	5,360	4,724



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(₹ in '000)

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Note 16		
Trade Receivable		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	2,207	220
Unsecured, considered doubtful	146	-
Less: Provision for doubtful debts	(146)	-
	2,207	220
Outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	93,788	55,658
	93,788	55,658
	95,995	55,878
Note 17		
Cash & Bank Balances		
(a) Cash & Cash Equivalents		
Balances with Banks		
On Current Accounts	402,939	361,451
Fixed Deposits with original maturity for less than 3 months**	24,359	41,561
Cash on Hand	140	2,056
	427,438	405,068
**Held as lien by bank against bank guarantee amounting to ₹ 500('000) (P.Y NIL)		
(b) Other Bank Balances		
Fixed Deposits with original maturity greater than 3 months and less than 12 months **	4,815	-
Unclaimed Dividend Account	2,413	1,255
	7,228	1,255
**Held as lien by bank against bank guarantee amounting to ₹ 1,444('000) (P.Y Nil)		
	434,666	406,323
Note 18		
Short Term Loans and Advances		
(Unsecured considered good)		
Advances to Suppliers		
Considered Good	788	9,261
Considered Doubtful	1,404	-
Less: Provision for doubtful Advance	(1,404)	-
	788	9,261
Staff Loans and Advances	1,270	1,139
Gratuity (Refer Note No. 28)	404	-
Balance with Government Authorities	16,188	10,912
	18,650	21,312
Note 19		
Other Current Assets		
Interest Accrued but not due	183	254
Export Benefits	-	10,145
Accrued Income	-	15
Dividend Receivables	534	92
Others	851	771
	1,568	11,277



Notes to the financial statements for the year ended March 31, 2017

(₹ in '000)

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Note 20		
Revenue from Operation		
Sales of Products		
Finished goods	62,412	66,001
Traded goods	24,883	1,470
Sale of Services		
Royalty Income - Patent	402,289	410,950
Consulting Income	40,561	36,394
	530,145	514,815
Other Operating Revenue - Scrap Sales & Rental Income	3,077	-
Revenue from Operation (Gross)	533,222	514,815
Less: Excise Duty	7,177	6,655
Revenue from Operation (Net)	526,045	508,160
Detail of Sale of Products / Services		
Finished goods sold		
Water Soluble Films	62,412	66,001
Traded goods sold		
Cleaning Products	7,544	1,470
Other Business	17,269	-
Water Soluble films	70	-
Detail of Services Rendered		
Royalty Income	402,289	410,950
Consulting Income	40,561	36,394
	530,145	514,815
Note 21		
Other Income		
Dividend Income		
From Investment in Mutual Fund	7,016	5,073
From Erstwhile Subsidiary Company	12,841	-
Interest Income		
On Fixed Deposit with Bank	1,677	1,600
On Electricity Deposits	14	32
Foreign Exchange Gain	14,176	24,464
Export Incentive	-	10,275
Net Gain on Sale of Investments	822	957
Miscellaneous Income	1,322	4,364
	37,868	46,765



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(₹ in '000)

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Note 22		
Cost of Raw Materials Consumed		
Inventory at the beginning of the year	2,330	2,181
Add: Purchases	20,455	18,690
	22,785	20,871
Less: Inventory at the end of the year	4,545	2,328
Cost of raw material and components consumed	18,240	18,543
Purchase of Stock in Trade	19,760	5,850
Note 23		
Change in inventory of finished goods, work-in-progress & stock in trade		
Inventories at the end of the year		
Stock In Trade	5,360	4,724
Work-in-progress	2,935	1,191
Finished goods	5,919	1,693
	14,214	7,608
Inventories at the beginning of the year		
Stock In Trade	4,724	1,892
Work-in-progress	1,191	1,110
Finished goods	1,693	2,447
	7,608	5,449
	(6,606)	(2,159)
Note 24		
Employee Benefit Expenses		
Salary, Wages and Bonus	40,948	24,582
Contribution to Provident & Other Funds (Refer Note No.28)	1,472	1,057
Gratuity and Leave Encashment (Refer Note No.28)	1,809	307
Staff welfare expenses	1,094	1,397
	45,323	27,343



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

(₹ in '000)

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Note 25		
Other Expenses		
Consumption of stores and spares	840	984
Factory Expenses	2,104	1,813
Labour Charges	3,559	3,140
Electricity, Fuel and Water Charges	10,525	10,267
Repair and Maintenance - Building	1,704	484
Repair and Maintenance - Machinery	710	975
Repair and Maintenance - Other	2,032	3,022
Freight Expenses	1,739	803
Patent Charges	2,127	1,213
Patent Development Expenses Written off	400	158
Insurance Charges	240	-
Legal and Professional Fees	16,541	27,926
Donation	1,351	5,000
CSR Expenses (Refer Note No. 32)	1,755	1,151
Commission on Sales	-	100
Rent	4,593	3,366
Bad Debts	1	31
Foreign Exchange Loss (Net)	1,236	-
Auditors Remuneration (Refer Note 36)	2,168	1,918
Provision For Doubtful Advances	1,404	-
Diminution in Value of Investment	681	-
Provision For Doubtful debts	146	-
Right issue expenses written off	1,050	199
Sundry Balances written off	2,278	4,477
Travelling & Conveyance Expenses	13,369	8,555
Miscellaneous Expenses	16,678	10,299
	89,232	85,881

26 Contingent liabilities and Commitments:

(₹ in '000)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(i) Contingent Liabilities		
(a) Sales tax matters not acknowledged as debt	80,495	14,982
(b) Income tax matters not acknowledged as debt	6,888	-
(c) Bank Guarantees given	4,235	701
Total	91,618	15,683

27 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues as at March 31, 2017. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors.



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

28 Defined Benefit Plan

a) Gratuity

The employees gratuity fund scheme is funded. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognises each period of service as giving rise to additional unit of employees benefits entitlement.

₹ in '000

Table showing changes in Present Value of Projected Benefit Obligation		
Particulars	2016-17	2015-16
Opening Projected Benefit Obligation	1,096	894
Current Service Cost	1,743	202
Benefits Paid	(1,111)	-
Actural Losses on Obligation - Due to experience	15	-
Closing Projected Benefit Obligation	1,743	1,096

₹ in '000

Table showing change in Fair Value of Plan Assets		
Particulars	2016-17	2015-16
Opening fair value of Plan assets	817	817
Contributions by employer	1,299	-
Benefits Paid	(16)	-
Actuarial gains on Plan Assets	47	-
Closing fair value of plan assets	2,147	817

₹ in '000

Balance Sheet Reconciliation		
Particulars	2016-17	2015-16
Opening Projected Benefit Obligation	1,096	894
Opening fair value of Plan assets	(817)	(817)
Expense recognised in Statement of Profit & Loss A/c	1,743	202
Benefits Paid to employees	(1,127)	-
Contributions by employer	(1,299)	-
Net (Asset) / Liability recognised in the Balance sheet	(404)	279

₹ in '000

Experience Adjustment		
Particulars	2016-17	2015-16
Actuarial (Gains)/Losses on Obligations - Due to Experience	15.4	-
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	47.3	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2016-17	2015-16
Investments with insurer	100%	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

The principal assumptions used in determining gratuity obligations for the company's plans are shown below:

Particulars	2016-17	2015-16
Discount rate	7.39%	-
Expected rate of return on assets	7.39%	-
Employee turnover	Service <5 - 10% Service >=5 - 3%	-
Healthcare cost increase rate	N.A	-

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.

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.

b) Leave Encashment

Provision towards liability towards leave encashment made on the basis of actuarial valuation as per Accounting Standard 15(Revised). Actuarial Value of Liability is ₹ 97('000) (P.Y. ₹105('000)).

c) Defined Contribution Plan

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

₹ in '000

Particulars	2016-17	2015-16
Employer's Contribution to Provident Fund	1,231	787

29 Based on the guiding principles given in Accounting Standard on Segment Reporting (AS-17) specified in the Companies (Accounting Standards) Rules 2006, the Group is primarily engaged in the business of Manufacturing of Water Soluble Film. As the Group's business activity falls within a single primary business segment, the disclosure requirements of AS-17 in this regard are not applicable .

30 Related Party Disclosure as required by Accounting Standard 18 of the Institute of Chartered Accountants of India. Related parties as defined under clause 3 of the Accounting standard have been identified on the basis of representation made by management.

i. List of Related Parties with whom transactions entered.

Name of Related Party	Relationship
SP Arrow Bio-Polymer Products Private Limited Sphere Bio-Polymers Private Limited	Associate Company
Mr. Shilpan P. Patel Mr. Neil Patel Mr. Navin Narayan Jha Mr. Hitesh Punglia Mrs. Poonam Bansal	Key Management Personnel
Mrs. Jigisha S Patel	Relative of Key Management Personnel
Grace Paper Industries Private Limited. Aquavista Limited Arrow Convertors Private Limited Avery Bio –Degradable Products Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence



Notes to the Consolidated Financial Statements for the year ended March 31, 2017

ii) Transaction with Related Parties & Outstanding Balance as on 31st March, 2017

(₹ in '000)

Rent Expenses	Shilpan P. Patel		Arrow Convertors Private Limited	
	2016-17	2015-16	2016-17	2015-16
Rent Expenses	840	1,475	408	-
Balance at the year end	-	27	-	-

(₹ in '000)

Loans taken and repayment thereof	Shilpan P. Patel	
	2016-17	2015-16
Balance at the year end	115	135

(₹ in '000)

Purchase of Capital Goods/Services	Avery Bio Degradable Products Private Limited		Aquavista Limited	
	2016-17	2015-16	2016-17	2015-16
Purchase of Capital Assets	15,750	4,275	4,077	-
Consultancy service received	-	-	868	59
Balance at the year end	-	4,275	-	-

(₹ in '000)

Purchase of goods	Grace Paper Industries Private Limited	
	2016-17	2015-16
Purchase of Stores and Spares	146	913
Balance at the year end	-	-

(₹ in '000)

Investment in Associates	SP Arrow Bio-Polymer Products Private Limited		Sphere Bio-Polymers Private Limited	
	2016-17	2015-16	2016-17	2015-16
Balance at the year end	46	46	49	49

(₹ in '000)

Remuneration to Key Managerial Personnel & Relatives	2016-17	2015-16
Mr. Shilpan P. Patel - Managing Director	7,500	6,000
Mr. Neil Patel - Whole Time Director	4,200	2,400
Mrs. Jigisha Patel	450	-
Mr. Hitesh Punglia - Chief Financial Officer *	2,703	-
Mr. Narayan Navin Jha - Chief Financial Officer*	62	498
Mrs. Poonam Bansal - Company Secretary	806	762

*(Mr. Narayan Navin Jha resigned on 16th May,2016 and Mr. Hitesh Punglia take the charge of CFO on the same date)

**Notes to the Consolidated Financial Statements for the year ended March 31, 2017****31 Earnings per share (EPS)**

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

Particulars	(₹ in '000)	
	2016-17	2015-16
Net Profit after Tax as per Statement of Profit & Loss Account	331,782	305,587
Weighted average number of shares used in computing earning per equity share		
For Basic EPS	11,739,948	11,739,948
For Diluted EPS	11,739,948	11,739,948
Basic earning per share (₹)	28.26	26.03
Diluted earning per share (₹) (on nominal value of ₹ 10/- per share)	28.26	26.03

32 Details of CSR expenditure

Particulars	(₹ in '000)	
	2016-17	2015-16
(a) Gross amount required to be spent by the Company during the year	1,894	1,151
(b) Amount spent during the year		
In Cash	1,755	1,151
Total	1,755	1,151

33 As stipulated in Accounting Standard 28, the Group assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the Management is of the view that no impairment provision is called for in these accounts.

34 During the year, the Holding Company has specified Bank Notes or other denomination Notes as defined in the MCA Notification, G.S.R. 308(E) dated March 31, 2017. The details of SBNs held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the Notification are as follows;

Particulars	(₹ in '000)		
	SBN	Other Denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	1,325	2	1,327
Add: Permitted Receipts	-	608	608
Less: Permitted Payments	-	(215)	(215)
Less: Amount Deposited in Banks	(1,325)	(8)	(1,333)
Closing Cash in Hand as on December 30, 2016	-	397	397

35 Derivative Instruments and Unhedge Foreign Currency exposure

a) Derivative Outstanding as at the Reporting date

Foreign Currency & ₹ in '000

Particulars	2016-17		2015-16	
	Forward contract to buy USD	USD 110.6	INR 7,322	-

Above derivative instrument have been acquired for hedging purpose.


Notes to the Consolidated Financial Statements for the year ended March 31, 2017

b) Particulars of Unhedged Foreign Currency Exposures as at the Reporting date

Foreign Currency & ₹ in '000

Particulars	2016-17		2015-16	
	Trade Receivables	EURO 0.49	INR 33.89	EURO 0.49
	GBP 0.02	INR 1.73	GBP 0.02	INR 2.05
	USD 0.99	INR 63.86	JPY 2136	INR 1,256.03
Trade Payables	USD 2.75	INR 177.95	USD 2.75	INR 181.41

36 Payment to auditor
(₹ in '000)

Particulars	2016-17	2015-16
As Auditor		
Audit Fees	1,697	1,360
Tax Audit Fees	200	147
Limited Review	200	135
In other capacity		
Taxation matters	17	144
Certification Work	50	132
Reimbursement of expenses	3	-
Total	2,168	1,918

37 Disclosure in respect of Lease Operating Lease
(₹ in '000)

Particulars	2016-17	2015-16
Minimum lease Payments for a period :-		
Not later than 1 year	4,835	3,545
Later than 1 year	12,274	11,526
Total	17,109	15,071

b) Lease payments recognised in the statement of Profit & Loss for the period April 01, 2016 to March 31, 2017- ₹ 4,593('000) (P.Y. ₹ 3,366('000)).

38 The Consolidated Financial Statements presents the Consolidated Accounts of Arrow Greentech Limited with its following Subsidiaries, Step down Subsidiaries and Associates

Name and Country of Incorporation	Proportion of ownership of Interest	
	2016-17	2015-16
Arrow Green Technologies (Uk) Ltd - United Kingdom	100%	100%
Advance IP Technologies Ltd - United Kingdom	95%	95%
Arrow Realty Ltd - United Kingdom *	-	100%
Arrow Secure Technology Private Limited - India	100%	100%
SP Arrow Bio-Polymer Products Pvt. Ltd - India	46%	46%
Sphere Bio-Polymers (P) Ltd - India	49%	49%

* During the year, Arrow Realty Limited, has been merged with Arrow Green Technologies (UK) Ltd on 4th January, 2017

**Notes to the Consolidated Financial Statements for the year ended March 31, 2017****39** Statement of Net Assets and Statement of Profit and Loss Attributable to Owners and Minority Interest.

(₹ in '000)

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share of Profit or Loss (before Minority Interest)	
	Amount	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss
Arrow Greentech Limited	403,400	41%	128,679	39%
Arrow Green Technologies (Uk) Ltd & Its Subsidiary	582,196	59%	202,441	61%
Arrow Secure Technology Private Limited - India	146	0%	(16)	0%
Total	985,741		331,103	
Inter Company elimination and Consolidation Adjustment	(5,953)	-1%	679	0%
Total	979,788	100%	331,782	100%

40 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As Per our report of even date.

For Haribhakti & Co LLP

Chartered Accountants

ICAI FRN No. 103523W / W100048

Snehal Shah

Partner

Membership No. 048539

Place : Mumbai

Date : May 27, 2017

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

Managing Director

DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Whole time Director

DIN No - 00607101

Poonam Bansal

Company Secretary



ARROW GREENTECH LIMITED

CIN: L21010MH1992PLC069281

Registered Off: Solitaire Corporate Park, Bldg No.3, 7th Floor, Unit No. 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai – 400093

Tel: 022 4074 9000, Fax: 022 4074 9099, email: 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, Solitaire Corporate Park, Bldg No.3, 7th Floor, Unit No.372, Guru Hargovindji Marg, Chakala, Andheri(E), Mumbai- 400093 before the dividend for the current financial year is paid to you. 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



To,
The Share Department
ARROW GREENTECH LIMITED
Solitaire Corporate Park, Bldg No.3,
7th Floor, Unit No. 372, Guru Hargovindji Marg,
Chakala, Andheri (East), Mumbai – 400093

Date:

Dear Sir,

Sub: Payment of dividend (Electronic Clearing Service / Bank Particulars)

I wish to participate in the Electronic Clearing Services and give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below:

1. Name of the First holder (in Block Letters)	:	
2. E mail Id	:	
3. Telephone/ Mobile No.	:	
4. Regd. Folio No.	:	
5. Name of the Bank	:	
6. Branch Name & Address	:	
7. Account Number (as appearing on your Cheque Book)	:	
8. Account Type: (Saving Bank A/c, Current A/c or Cash Credit A/c)	:	
9. 9 digit code number of the Bank & Branch appearing on the MICR Cheque issued by the Bank. (Please attach photocopy of the accuracy of the MICR Code Number)	:	

I hereby declare that the particulars given above are correct and complete. I undertake to inform of any subsequent changes in the above particulars. If the ECS payment transaction is delayed or not effected for any reasons I would not hold the Company responsible.

Signature of the first named shareholder

Name _____

Address _____

Tel No. _____

ARROW GREENTECH LIMITED

CIN: L21010MH1992PLC069281

Registered Off: Solitaire Corporate Park, Bldg No.3, 7th Floor, Unit No. 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai – 400093

Tel: 022 4074 9000, Fax: 022 4074 9099, email: poonam@arrowgreentech.com

ATTENDANCE SLIP

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company on Wednesday, 13th September 2017 at 10.30 A.M. at The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093.

Name: _____

Address: _____

Regd. Folio. No.: _____ No. of Shares Held: _____

Client ID: _____ DP ID: _____

Name of Proxy/Representative, if any: _____

Signature of the Shareholder(s)/Proxy/Representative: _____

ARROW GREENTECH LIMITED

CIN: L21010MH1992PLC069281

Registered Off: Solitaire Corporate Park, Bldg No.3, 7th Floor, Unit No. 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai – 400093

Tel: 022 4074 9000, Fax: 022 4074 9099, email: poonam@arrowgreentech.com

**Form No. MGT-11
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L21010MH1992PLC069281
Name of the Company : Arrow Greentech Limited
Registered Office : Solitaire Corporate Park, Bldg No 3, 7th Floor, Unit No 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093

Name of the member (s) :	:
Registered address :	:
E-mail Id :	:
Folio No/ Client Id :	:
DP ID :	:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature :or failing him

2. Name :
Address :
E-mail Id :
Signature :or failing him

3. Name :
Address :
E-mail Id :
Signature :or failing him

.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on the 13th day of September 2017 at 10:30 a.m. at The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1	Adoption of Annual Accounts of the Company as on March 31, 2017
2	Declaration of Dividend on Equity Shares
3	Re-appointment of Mr. Neil Patel, retiring by rotation and being eligible, offering himself for re-appointment
4	Appointment of Statutory Auditors of the Company.
5	Re-appointment of Mr. Shilpan P Patel as Managing Director of the Company.
6	Re-designation of Mr. Neil S Patel as Joint Managing Director of the Company.
7	Appointment of Prof. Dinkarray D Trivedi as an Independent Director
8	Approve Related Party Transaction
9	To amend in the Memorandum of Association of the Company.

Signed this _____ day of _____, 2017






Signature of Shareholder(s): _____

Signature of Proxy(s): _____

Affix
Re. 1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

WatersolTM

-  PACKAGING FILM
-  EMBROIDERY FILM
-  SOAP FILM
-  MOULD RELEASE FILM
-  WATER TRASFER PRINTING FILM



Klänz Pro

used by professionals

100% ECO-FRIENDLY



High concentrated bio-degradable products
Reduced use of raw materials and packaging
Reduced use of energy on the production process
75% less CO₂ emissions during transport
No plastic packaging (water soluble pouches) and carton casing

APPLICATION COST CONTROL



Precise control over product consumption, same dosage every time
No more waste management costs

OCCUPATIONAL RISKS MANAGEMENT



Safe handling, no direct contact with chemical product
85% reduction on loading weight
Easier and more convenient (pouch dissolves in water)
Dosing system not required

REDUCES 85% STORAGE ROOM AND TRANSPORT



Reduced volume thanks to its high Concentration formula



Production Unit (Ankleshwar)





ARROW GREENTECH LTD.

Corporate Office :

Solitaire Corporate Park, Bldg. No.3, 7th Floor, Unit No.372,
Guru Hargovindji Marg, Chakala, Andheri(East), Mumbai - 400 093.
Phone: (+91) (022) 4074-9000 • Email: info@arrowgreentech.com