

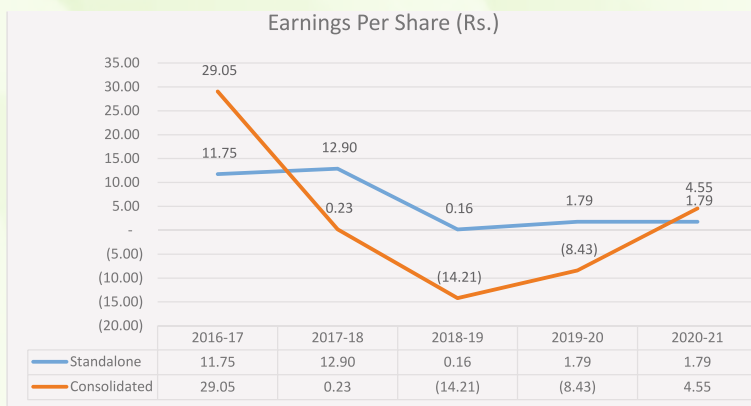
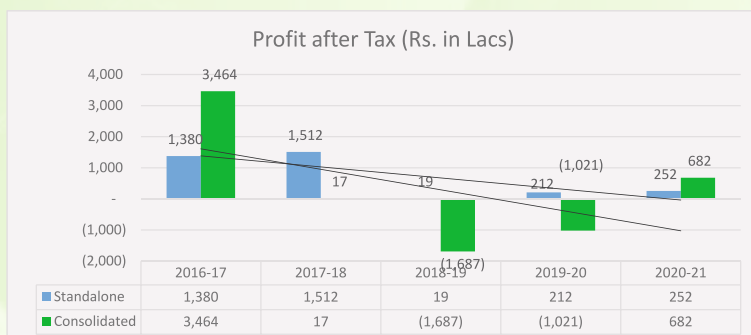
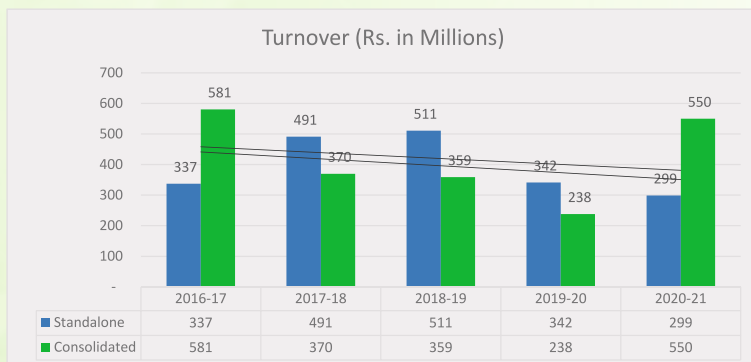
ARROW
GREENTECH LTD.

Imagination to Innovation



29th ANNUAL | **2020-21**
REPORT

Financial Highlights at a glance



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Chairman Message

Dear Stakeholders and Partners,

Today, I would like to be grateful to the Universe, to our elders, and to our unflinching support of Team Arrow.

We have been through a horrific pandemic, and yet come out more strong, simply due to the tenacity, loyalty, courage and focus on doing the right thing. My heart goes out to all the youngsters of our workforce, who incessantly, meticulously and tirelessly kept getting the job done—using safest mode of transport and travel. By this I mean all the office boys, drivers, office executives and factory staff. The older age executives, working from home, like me, being authorized signatories and decision makers, needed to get some physical paper work done, as we are still not a paperless working environment. Having said that lots of have changed, and I must also thank the timely reforms done by the Government from time to time.

Covid has taught us to adapt and change our methods of working, and surprisingly, Covid also helped us break the old time shackles of way of office working to working from home. Result is we saved a lot of money, time and with increased and focused productivity, all added up to the bottom line.

Some may even feel that growth has slowed down, as certain jobs can be done (particularly in the field of sales and marketing), but I am happy to say, that every one adapted to the coming pandemic and even increased the prior records.

Anticipating a problem, and creating solutions well in time, like equipping all key personnel with all the tools for working from home started in March, 2020, well before the lockdown was announced. This was the foresight of top management, including our JMD and CFO.

Future is bright from hereon, as the menace of Covid seems to be slowing down, and the world is opening up. There seems to be increased demand of our products and we hope to deliver better results, keeping in mind our focus on efficient working and frugal methods, we are still working from home, and will adapt to the new way of life and central docking systems. Our IT professionals and KMPs are already working on the next 5 year plan, particularly in office management, learning from our foreign offices and foreign partners.

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

On the Finance side, we have a strong balance sheet with a good positive liquidity position. This ensures that we don't have a cash flow issue even while we are investing in our committed projects.

Our RND Centre, which went critical last year, had a slight set back, due to lock down and limited personnel present in our Mumbai based premises. These are physical tasks and are difficult to work from home. This center was working till the last day, before shut down, as I remember we all took our trials on new lab coating equipment successfully. During this time, we focused on filing IPs and working out of our Ankleshwar Lab, awaiting Maharashtra to open up totally. It has been working partially since quite some time now.



Our subsidiary Avery Pharmaceuticals Private Limited, which is focused on our patented technology of Actives Embedded WSF, as a Novel Drug Delivery System (NDDS), is expected to start commercial production soon, as we have received licenses for some of the actives and are now focusing on those actives and nutraceuticals and are well on their way towards maiden revenues.

Having received our maiden order from one of the reputed clients, our Security products division has successfully started production and we expect this business to bring more revenues, going forward.

On the fire mishap front, we are hopeful of a settlement of our claims, but we decided to invest our own funds to get the plant up and running, while we pursue our rights to our legitimate claims.

Our company is always focused on Hon. Prime Minister's call on Make In India/Atma Nirbhar Bharat, and have been actively pursuing various GOI procurement tender bids. We intend to aggressively look at these niche products, which are basically import substitutes, creating bigger opportunities for your Company. We are grateful to GOI for promulgating various amendments in Govt. procurement policies and MSME reforms for Indian companies.

Your company intends interalia to focus on Patent Division more aggressively and fortify our patent division so as to get revenues from out-licensing, compensations from infringements, better revenues from our own patented product. Though Covid restrictions continues to have an effect on one of our claims on a leading Pharma company, which we are hopeful to get justice, while we continue to focus on our own subsidiary, Avery Pharma.

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

While we continue to ignite our creativity and endure to deliver value for our shareholders in the long term perspective, we foresee a very bright future going forward.

Finally, I would like to reiterate my gratitude to all our team members, Board of Directors, all the stakeholders, including GOI, and well-wishers for their unstinted support to the Company, even during these difficult times. You all are the pillars and back bone of your company and I am blessed to have you on this journey of creating a wonderful world.

Thanking You,

Shilpan P. Patel
Chairman & Managing Director



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

Mr. Shilpan Patel aged 65 years is the Chairman and Managing Director of the Company holds a Master's degree in Business Administration from Sam Houston State University, Texas, USA. He did his graduation in Commerce from H.L. College of Commerce, Ahmedabad in India. In 1979-80 he gained experience in the coating industry from Grace Paper Industries Pvt. Ltd and worked there for a period of 9 years. In 1990 he developed Water Soluble Film, which is a product of indigenous research and has a very strong bearing on the environment. In 2000, the product (Water Soluble Film) won the India Star Award.

Mr. Patel has filed various patents in USA, Europe, South Africa, Australia and India based on Water Soluble Films, security films and Green Technologies. Appointed on the Board for the first time on October 30, 1992, he is in charge of Business Development and Strategic Management of the Company and creating value for all stake holders and society at large. Mr. Patel has spearheaded the IP cell of Arrow Greentech Ltd. and under his able guidance the company has acquired grants over 40 patents across the globe. He has helped the IP cell generate revenues by entering into partnerships through technology transfer, licensing, know how transfer etc. His love for the environment and passion for innovation has won the company several awards. The recent one being National IP Award 2019 for Top Indian Company (MSME) for Patents & Commercialization.



Mr. Neil Patel aged 35, is **Jt. Managing Director** of our Company. He has done M. Sc. (Bio Medical Science) from Kingston College, London. He possesses good entrepreneurship skills. He has excellent organizational skills and is inclined to take over the operations of the company. He is associated with the Company since 2009.

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



Mr. Haresh Mehta, aged 68 years, is an **Independent Director** of our Company. He is a graduate in Science. He holds a certificate in Packaging Technology and has also attended a long term programme in London. He is also a Director in Jayna Packaging Pvt. Ltd. He is a Chairman of Shareholders /Investor Grievance Committee and a member of the Audit Committee of the company.

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



Mr. Harish Mishra aged 71, is an **Independent Director** of our Company. He graduated in Commerce and done M. Com from Jabalpur University in the year 1973. He has vast experience in Advertising and Production. He was associated with ZEE TV.

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



Mr. Dinesh Modi, aged 70 years, is an **Independent Director** of our Company. He is a Company Secretary, and graduated in Commerce and done L.L.B from Bombay University. He has vast experience & knowledge in Finance and Legal & Corporate Sector. Currently he is practicing as a Corporate Law Advisor. He was associated with Reliance ADA Group.

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

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



Prof. Dinkarray D. Trivedi, aged 89 years is an **Independent Director** of the Company. He graduated in Arts (Economics Honors) and done M.Com from Gujarat University, Ahmedabad. Currently he is a Management Consultant Focusing on Corporate Planning, Enterprise Transfer and Strategy Formulation. He has vast experience in teaching field and has taught in H. L. College of Commerce in Ahmedabad, Indian Institute of Management, Ahmedabad, Management Development Institute, New Delhi, UTI Institute of Capital Markets, Navi Mumbai, Ahmedabad Management Association, Ahmedabad and Bank of Baroda Regional Training Centre.

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

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



Mrs. Jigisha Patel aged 64 years is a **Non Executive Non Independent Women Director** has done Bachelor of Arts (B.A.) from Calcutta. She is having rich knowledge in supervising and coordinating the administration. She is a professional with good experience of Managing Skills and Handling Team. She possesses a diverse and wide ranging experience and knowledge of Corporate Affairs

She has appointed to our board for the first time on 14th July 2020 as an Additional Director and then rectified at the Annual General Meeting held on September 29, 2020.



CORPORATE IDENTIFICATION NUMBER (CIN): L21010MH1992PLC069281

BOARD OF DIRECTORS :

Mr. Shilpan P. Patel	Chairman & Managing Director
Mr. Neil Patel	Jt. Managing Director
Mr. Haresh Mehta	Independent Director
Mr. Harish Mishra	Independent Director
Mr. Dinesh Modi	Independent Director
Mr. Dinkarray Trivedi	Independent Director
Mrs. Jigisha Patel	Non Executive Non Independent Woman Director

COMPANY SECRETARY :

Ms. Poonam Bansal

CHIEF FINANCIAL OFFICER:

Mr. Hitesh Punglia

REGISTERED OFFICE :

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

WORKS :

5310/5311 - GIDC,
ANKLESHWAR - 393 002

STATUTORY AUDITORS :

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

INTERNAL AUDITORS :

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

SECRETARIAL AUDITORS :

M/s. Rajendra & Co.
Company Secretaries
Mumbai

Important Communication to Members

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

REGISTRAR AND SHARE TRANSFER AGENTS :

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

BANKERS :

Kotak Mahindra Bank
Bank of Baroda
HDFC Bank Ltd



NOTICE OF THE 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of Arrow Greentech Ltd. will be held on, Wednesday the September 29, 2021 at 4:00 PM. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at 1/F Laxmi Industrial Estate, New Link Road, Andheri(West), Mumbai - 400053 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt Audited Balance Sheet as on March 31, 2021 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
- 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.

3. To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

Re-appointment of Statutory Auditors of the Company:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Haribhakti & Co. LLP., Chartered Accountants having Firm Registration No. 103523W be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for their second term of 5 (five) years from the conclusion this Annual General Meeting till the conclusion of Annual General Meeting for the financial year 2025-26 on such remuneration and terms and conditions as set out in the explanatory statement to this Notice."

SPECIAL BUSINESS

4. Re-appointment of Prof. Dinkarray D Trivedi (DIN: 00380306) as an Independent Director

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"**RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, Prof. Dinkarray D Trivedi (DIN: 00380306), who was appointed as an Independent Director at the 25th Annual General Meeting of the Company and who holds office up to March 31, 2022 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from April 01, 2022 upto March 31, 2027."

5. 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, 2021 up to the maximum amounts per annum as appended below:

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

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

MAXIMUM VALUE OF CONTRACT /TRANSACTION (PER ANNUM) W.E.F 1ST APRIL 2021		(Rs. In Crores)			
	Transaction defined u/s 188 (1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods or materials; (a)	Selling or otherwise disposing of, or buying, property of any kind (b)	Leasing of property of any kind (c)	Availing or Rendering of any services; (d)	Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; (e)
*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	-	-	-	-	-
Avery Biodegradable Products Pvt. Ltd.	10	-	-	5	-
Advance Business Solutions	50	-	-	-	-

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



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

NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 (the 'Act'), in relation to Special Business is annexed hereto. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
2. Due to the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020, 14/2020, 17/2020 followed by Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs (hereinafter collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/ HO/ CFD/ CMD1/ CIR/ P/ 2020/ 79 followed by Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (hereinafter referred to as "SEBI Circulars") has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In accordance with, the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 29th AGM of the Company shall be conducted through VC / OAVM. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM and Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice will also be available on the Company's website at www.arrowgreentech.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on website of the e-voting agency- National Securities Depository Limited at <https://www.evoting.nsdl.com>
7. Since the physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Attendance Slip, Route Map and Proxy Form are not annexed to this Notice.
8. Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to Company Secretary of the Company at poonam@arrowgreentech.com.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 25, 2021 to Wednesday, September 29, 2021 (both days inclusive) for the purpose of AGM of the Company.
10. During the year amount of Unclaimed Final Dividend for financial year 2013-14 is due for deposit to the Investors Education and Protection Fund on 4th November, 2021.
11. In case the Dividend has remained unclaimed for the financial years 2013-14 to 2018-19 (Interim and/or Final) the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.
12. Members whose shareholding is in the electronic mode are requested to intimate any change in their address to their respective Depository Participants.
13. Members seeking any information with regard to the accounts or any document to be placed at the AGM, are requested to write to the Company on or before Friday, September, 24, 2021 through email on poonam@arrowgreentech.com. The same will be replied / made available by the Company suitably



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

The remote e-voting period commences on Sunday, September 26, 2021 (9:00 a.m. IST) and ends on Tuesday, September 28, 2021 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, September 22, 2021 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

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


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

Step 1: Access to NSDL e-Voting system

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.



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

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

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

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

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

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**



6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

A. GENERAL GUIDELINES FOR SHAREHOLDERS

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

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

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



securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of **“VC/OAVM link”** placed under **“Join General meeting”** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at poonam@arrowgreentech.com from Monday, September 20, 2021 (9:00 a.m. IST) to Friday, September 24, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM for smooth conduct of the AGM.

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

DEMATERIALISATION OF SHARES

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

CONSOLIDATION OF MULTIPLE FOLIOS

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

**PERMANENT ACCOUNT NUMBER**

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

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

Mr. Neil Patel, aged 35 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 2021, he held 5,39,810 shares in the Company.

Prof. Dinkarray D. Trivedi, aged 89 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 based in Ahmedabad. As on 31st March 2021, he held NIL shares in the Company.

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

Item No. 3

The Members of the Company at the 24th Annual General Meeting ('AGM') held on 27th September, 2016 approved the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of the said AGM. M/s Haribhakti & Co. LLP will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

Accordingly, the Board of Directors at its meeting held on June 24, 2021 and after considering the recommendations of the Audit Committee, had recommended the re-appointment of, M/s. Haribhakti & Co. LLP Chartered Accountants (Firm Registration No. 103523W) as Statutory Auditors of the Company. The proposed Auditors shall hold office for a period of five consecutive years from the conclusion of 29th Annual General Meeting till the conclusion of 34th Annual General Meeting.

M/s. Haribhakti & Co. LLP Chartered Accountants came into beginning of 1954 and since then has expanded to cover wide array of services.

M/s. Haribhakti & Co. LLP Chartered Accountants have consented to the aforesaid appointment and confirmed that their appointment, if made, shall be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of the Act and the rules made thereunder.

The remuneration of the Statutory Auditors shall be as decided by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbursalment of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and the same shall be billed progressively.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. Haribhakti & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration set out at Item No. 3 of this Notice.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of this Notice.

Item No. 4

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of **Prof. Dinkarray D. Trivedi** as Independent Directors, for a second term of five years from April 1, 2022 to March 31, 2027, not liable to retire by rotation. **Prof. Dinkarray D. Trivedi** was appointed as Independent Directors at the 25th Annual General Meeting ("AGM") of the Company and holds office up to March 31, 2022. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing their candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given their background, experience and contribution, the continued association of **Prof. Dinkarray D. Trivedi** would be beneficial to the



ARROW GREENTECH LIMITED

Company and it is desirable to continue to avail their services as Independent Directors.

The Company has received a declaration from them to the effect that they meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, they fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. Brief resume of **Prof. Dinkarray D. Trivedi** is provided in the Notice forming part of the Annual Report. The terms and conditions of their appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of **Prof. Dinkarray D. Trivedi** as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 4 of this Notice for approval of the Members.

Item No.5:

The Board of Directors at its meeting held on August 14, 2021 approved for entering into related party transactions by the Company up to the maximum amounts per annum as appended above:

Since the share capital of the Company exceeds 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:

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

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

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

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

Poonam Bansal
Company Secretary

Mumbai, August 14, 2021

Registered Office:

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

**DIRECTORS' REPORT**

To,
The Members,

The Directors of Arrow Greentech Limited present the 29th Annual Report on the operations of the Company, together with the Audited Accounts for the year ended 31st March, 2021.

Financial Results

(Rupees in thousands)

Particulars	2020-2021	2019-2020
Total income	2,99,129	3,41,649
Profit (Loss) before finance cost, Depreciation and Amortization expenses, exceptional items & Tax	64,558	62,851
Less : Finance Cost	6,268	4,514
Less : Depreciation and Amortization expenses	42,216	32,341
Less: Exceptional items	-	3,220
Profit Before Tax	16,074	22,776
Less : Provision for Taxation		
- Current Tax	2,718	4,933
- Deferred Tax	(11,877)	(3,347)
Profit for the year	25,233	21,190
Other Comprehensive Income	463	(122)
Profit for the year after other comprehensive income	25,696	21,068
Add : Balance brought forward	3,37,283	3,23,640
Less: Ind AS Adjustment	-	1,555
Less : Dividend Paid (related to previous year)	-	5,870
Balance carried to Balance Sheet	3,62,979	3,37,283

Indian Accounting Standard

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

Operations:

The total income from operations including other income for the financial year under review amounted to Rs.2,991.29 Lacs as compared to Rs. 3,416.49 Lacs in the previous year. The Company has earned net profit of Rs. 256.96 Lacs (including other comprehensive income) as compared to Rs. 210.68 Lacs in the previous year. After adjustment of brought forward balance of Rs. 3,372.83 Lacs from previous year, Rs. 3,629.79 Lacs has been carried to the Balance Sheet.

Transfer to Reserves

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

Business outlook and future prospects:

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

Dividend

Considering the uncertain times on account of COVID- 19, prevailing situation and the Company's position, the board of directors has decided not to declare any dividend for the financial year ended 31st March 2021.



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. 822.61 Lacs (previous year Rs. 1,387.30 Lacs)
Foreign Exchange outgo	– Rs. 771.88 Lacs (previous year Rs. 720.52 Lacs)

Auditors And Auditors' Report

Statutory Auditors

The Auditors Report given by Haribhakti & Co. LLP., Chartered Accountants, the Statutory Auditors, on the financial statements of the Company for the year ended March 31, 2021 forms part of the Annual Report. The Auditor's Report does not contain any qualification, reservation or adverse remark.

M/s. Haribhakti & Co. LLP was appointed as the statutory auditor at the Annual General Meeting held on September 27, 2016 for a term of five (5) years from the conclusion of the 24th annual general meeting till the conclusion of 29th Annual General Meeting. The Audit Committee and the Board at their meeting held on June 24, 2021 approved the re-appointment of M/s. Haribhakti & Co. LLP., Chartered Accountants as the statutory auditors for a second term of five (5) years i.e from conclusion of the 29th Annual General Meeting till the conclusion of 34th Annual General Meeting. The necessary resolution(s) seeking your approval for their appointment as statutory auditors are included in the notice of the ensuing Annual General Meeting along with brief credentials and other necessary disclosures required under the Act and the Regulations.

Secretarial Auditor:

The Board has appointed M/s Rajendra & Co., Practising Company Secretary, to conduct Secretarial Audit for the financial year 2020-2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith marked as ANNEXURE I to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Internal Auditor:

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

Particulars of Loans, Guarantees or Investments:

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

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



Subsidiaries

As on March 31, 2021 there were 4 subsidiaries and 1 step down subsidiary of the Company:

Direct Indian subsidiary:

Arrow Secure Technology Private Limited (WOS of the Company)
Avery Pharmaceuticals Private Limited (WOS of the Company)
LQ Arrow Security Products (India) Private Limited

Direct Foreign subsidiary:

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

Step down subsidiary:

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

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

Consolidated Financial Statements

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

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

Corporate Governance

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

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

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

Internal control systems and their adequacy:

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



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

Internal Financial Controls

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

Extract of Annual Return:

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

SHARE CAPITAL

The Paid up Share Capital as on March 31, 2021 was Rs.14.09 crore. During the year under review, the Company has not issued any shares.

Directors and Key Managerial Personnel

Ms. Aradhana Singh, Woman Director has resigned from the Board of Directors of the Company, on 30th June 2020. The Board places on record her appreciation for the contribution in the overall growth of the Company during her tenure as Director.

The Board, upon the recommendations of the Nomination and Remuneration Committee, by passing circular resolution on 14th July 2020, appointed Ms. Jigisha Patel (DIN: 01899528) as an Additional (Non Executive Non Independent) Woman Director. w.e.f. 14th July 2020.

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

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

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Shilpan Patel, Chairman & Managing Director, Mr. Neil Patel, Jt. Managing Director, Mr. Hitesh Punglia, Chief Financial Officer, and Ms. Poonam Bansal was the Company Secretary of the Company. The Remuneration and other details of Key Managerial Personnel for the financial year ended March 31, 2021 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 11th February, 2021, where at the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

Audit Committee

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

Vigil Mechanism / Whistle Blower Policy:

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

Nomination and Remuneration Committee

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

Nomination and Remuneration Policy

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

Corporate Social Responsibility Initiatives

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

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

Related Party Transactions:

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

Particulars of Employees and related disclosures

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

**Risk management policy**

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

Directors' Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March, 2021 and of the profit/loss of the Company for the period under review;
- iii) the directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts/financial statement have been prepared on a 'going concern' basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Industrial Relations:

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

General

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

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

Acknowledgements:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 24th June 2021

Shilpan P Patel
Chairman & Managing Director
DIN:00341068

**ANNEXURE I**

FORM NO. MR 3

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

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

To,
The Members,
Arrow Greentech Limited.,
1/F, Laxmi Industrial Estate,
New Link Road,
Andheri (W),
Mumbai 400 053

I/We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arrow Greentech Limited**(CIN: L21010 MH1992PLC069281) (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, 2021** complied with the statutory provisions listed here under and also that The Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Company for the financial year ended on **31st March 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(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. **N.A.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to The Company during the Audit period)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not applicable for The Company during the audit period)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to The Company during the Audit Period)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to The Company during the Audit Period)**
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Other Laws applicable to The Company Viz:

1. Bombay Shops and Establishments Act. (not renewed so far)



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. Land Revenue laws of respective States.
7. Goods and Service Tax Act.
8. Patents Act.

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

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

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

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

I further report that

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

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

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

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

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

For Rajendra and Co.,
Company Secretaries

(CS Rajendra Vaze)
Company Secretary

FCS No . 4247
C.P.No : 1975

Place : Mumbai
Date : 24th June 2021

UDIN :F004247C000508883

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



ANNEXURE A

**To The Members
Arrow Greentech Limited**

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

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

For Rajendra and Co.,
Company Secretaries

(CS Rajendra Vaze)
Company Secretary

FCS No . 4247
C.P. No 1975

UDIN : F004247C000508883

Place : Mumbai
Date : 24th June 2021

**ANNEXURE II**

Notes to the Consolidated financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees in thousand unless otherwise stated)

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

Part A: Subsidiaries

Name of Subsidiary Company	Reporting currency & Eq. in ₹	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Investment	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
Arrow Green Technologies (UK) Limited	INR GBP	2,029 20	1,43,083 1,417	1,47,378 1,460	2,248 22	2,533 25	7,823 81	(17,065) (176)	- -	(17,065) (176)	- -	100
Advance IP Technologies Limited	INR GBP	101 1	1,68,225 1,666	1,69,409 1,678	1,082 11	29,554 293	2,79,437 2,881	82,088 846	- -	82,088 846	- -	95
Arrow Secure Technology Private Limited	INR	4,313	(4,254)	87	28	-	-	(17)	-	(17)	-	100
Avery Pharmaceuticals Private Limited	INR	2,500	(25,640)	1,77,430	2,00,570	-	61	(13,033)	(3,170)	(9,864)	-	99
LQ Arrow Security Products (India) Private Limited	INR	7,500	76	7,859	282	2,022	306	35	-	35	-	51

Exchange rates	INR	GBP
31-Mar-21	Avg. Rate Closing Rate	97.00 100.95

Part B: Associate
Statement pursuant to Section 129 (3) of the Act related to associate company

Name of Associate Company	Last audited Balance Sheet date	Share of associate held by the Company on the year end		Net worth attributable to share holding as per the latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate is not consolidated
		Nos.	Extent of holding (%)		Considered in consolidation	Not Considered in consolidation		
SP Arrow Bio Polymer Products Private Limited	31-Mar-21	4,600	46%	(2,554)	-	(75)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-21	4,900	49%	(81)	-	(14)	Refer note 1	Refer note 2

Notes

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



ANNEXURE III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2021

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L21010MH1992PLC069281
2	Registration Date	30 th October, 1992
3	Name of the Company	Arrow Greentech Limited
4	Category/Sub-category of the Company	Public Company – Limited by Shares
5	Address of the Registered office & contact details	1/F Laxmi Industrial Estate, New Link Road , Andheri (West) Mumbai 400 053, Maharashtra Phn: 022 2074 9000 / 4974 3758 Email – poonam@arrowgreentech.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel No. 022- 49186000 / Fax No. 022- 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Water Soluble Film	222	45%
2	Royalty Income -Patent	77	9%
3	Other	46	35%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



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

(I) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year as on April 1, 2020				Shareholding at the end of the year as on March 31, 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	8714541	0	8714541	61.86	8904541	0	8904541	63.21	1.35
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	1196014	0	1196014	8.49	996014	0	996014	7.07	-1.42
	Sub Total (A)(1)	9910555	0	9910555	70.35	9900555	0	9900555	70.28	-0.07
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	9910555	0	9910555	70.35	9900555	0	9900555	70.28	-0.07
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	19600	19600	0.14	0	0	0	0.00	-0.14
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	13973	0	13973	0.10	28973	0	28973	0.21	0.11
(f)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	13973	19600	33573	0.24	28973	0	28973	0.21	-0.03
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2043235	149727	2192962	15.57	1979374	99517	2078891	14.76	-0.81
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1129505	93700	1223205	8.68	1222194	93700	1315894	9.34	0.66
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Overseas Depositories (holding Drs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00



Sr No	Category of Shareholders	Shareholding at the beginning of the year as on April 1, 2020				Shareholding at the end of the year as on March 31, 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Any Other (Specify)									
	IEPF	0	0	0	0.00	94744	0	94744	0.67	0.67
	Hindu Undivided Family	188384	0	188384	1.34	196313	0	196313	1.39	0.06
	Foreign Companies	176626	0	176626	1.25	176626	0	176626	1.25	0.00
	Non Resident Indians (Non Repat)	20698	7300	27998	0.20	20676	1200	21876	0.16	-0.04
	Non Resident Indians (Repat)	172125	0	172125	1.22	144004	0	144004	1.02	-0.20
	Foreign Portfolio Investor (Individual)	100	0	100	0.00	100	0	100	0.00	0.00
	Clearing Member	13695	0	13695	0.10	18291	0	18291	0.13	0.03
	Bodies Corporate	133015	15700	148715	1.06	110871	800	111671	0.79	-0.26
	Sub Total (B)(3)	3877383	266427	4143810	29.41	3963193	195217	4158410	29.52	0.10
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	3891356	286027	4177383	29.65	3992166	195217	4187383	29.72	0.07
	Total (A)+(B)	13801911	286027	14087938	100.00	13892721	195217	14087938	100.00	0.00
(C)	Non Promoter - Non Public									
	(C1) Shares Underlying Drs									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	13801911	286027	14087938	100.00	13892721	195217	14087938	100.00	

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2020			Shareholding at the end of the year as on March 31, 2021			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHILPAN P PATEL	4966346	35.25	0.00	4966346	35.25	0.00	0.00
2	JIGISHA S PATEL	1822205	12.93	0.00	1822205	12.93	0.00	0.00
3	ARROW CONVERTORS PVT LTD	1196014	8.49	0.00	996014	7.07	0.00	-1.42
4	SHILPAN P PATEL (HUF)	1079180	7.66	0.00	1029180	7.31	0.00	-0.35
5	NEIL S PATEL	424810	3.02	0.00	539810	3.83	0.00	0.82
6	RISHIL S PATEL	422000	3.00	0.00	547000	3.88	0.00	0.89
	Total	9910555	70.35	0.00	9900555	70.28	0.00	-0.07

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

SN	Name & Type of Transaction	Shareholding at the beginning of the year as on April 1, 2020		Transactions during the year		Cumulative Shareholding at the end of the year as on March 31, 2021	
		No. of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% Of Total Shares Of The Company
1	SHILPAN P PATEL	4966346	35.25			4966346	35.25
	AT THE END OF THE YEAR					4966346	35.25
2	JIGISHA S PATEL	1822205	12.93			1822205	12.93
	AT THE END OF THE YEAR					1822205	12.93
3	SHILPAN P PATEL (HUF)	1079180	7.66			1079180	7.66
	Transfer			26 Mar 2021	-50000	1029180	7.31
	AT THE END OF THE YEAR					1029180	7.31
4	ARROW CONVERTORS PVT LTD	1196014	8.49			1196014	8.49
	Transfer			30 Sep 2020	-200000	996014	7.07
	AT THE END OF THE YEAR					996014	7.07
5	RISHIL S PATEL	422000	3.00			422000	3.00
	Transfer			30 Sep 2020	100000	522000	3.71
	Transfer			26 Mar 2021	25000	547000	3.88
	AT THE END OF THE YEAR					547000	3.88
6	NEIL S PATEL	424810	3.02			424810	3.02
	Transfer			30 Sep 2020	100000	524810	3.73
	Transfer			26 Mar 2021	15000	539810	3.83
	AT THE END OF THE YEAR					539810	3.83

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

(iv) Shareholding Pattern of top ten Shareholders

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

SN	Name & Type of Transaction	Shareholding at the beginning of the year as on April 1, 2020		Transactions during the year		Cumulative Shareholding at the end of the year as on March 31, 2021	
		No. of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% Of Total Shares Of The Company
1	AQUAVISTA LIMITED	176626	1.25			176626	1.25
	AT THE END OF THE YEAR					176626	1.25
2	ASUTOSH PRAMODCHANDRA MEHTA	130307	0.93			130307	0.93
	Transfer			23 Oct 2020	-96974	33333	0.24
	Transfer			27 Nov 2020	96974	130307	0.93
	AT THE END OF THE YEAR					130307	0.93
3	DIPAK KANAYALAL SHAH	80000	0.57			80000	0.57
	Transfer			05 Jun 2020	2000	82000	0.58
	Transfer			12 Jun 2020	2000	84000	0.60
	Transfer			26 Jun 2020	871	84871	0.60
	Transfer			07 Aug 2020	129	85000	0.60
	Transfer			18 Sep 2020	2668	87668	0.62
	Transfer			25 Sep 2020	2000	89668	0.64
	Transfer			09 Oct 2020	332	90000	0.64
	Transfer			27 Nov 2020	10000	100000	0.71
	AT THE END OF THE YEAR					100000	0.71



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

SN	Name & Type of Transaction	Shareholding at the beginning of the year as on April 1, 2020		Transactions during the year		Cumulative Shareholding at the end of the year as on March 31, 2021	
		No. of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% Of Total Shares Of The Company
4	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	0	0.00			0	0.00
	Transfer			04 Dec 2020	94644	94644	0.67
	Transfer			11 Dec 2020	100	94744	0.67
	AT THE END OF THE YEAR					94744	0.67
5	SAMIR P PATEL	93700	0.67			93700	0.67
	AT THE END OF THE YEAR					93700	0.67
6	PRAMODCHANDRA GORDHANDAS MEHTA	7963	0.06			7963	0.06
	Transfer			19 Feb 2021	34356	42319	0.30
	Transfer			26 Feb 2021	47640	89959	0.64
	AT THE END OF THE YEAR					89959	0.64
7	SAKET SARAOGI	0	0.00			0	0.00
	Transfer			09 Oct 2020	26405	26405	0.19
	Transfer			16 Oct 2020	9099	35504	0.25
	Transfer			27 Nov 2020	11803	47307	0.34
	Transfer			05 Mar 2021	13583	60890	0.43
	Transfer			19 Mar 2021	14110	75000	0.53
	AT THE END OF THE YEAR					75000	0.53
8	KISHAN CHAND GUPTA	71000	0.50			71000	0.50
	Transfer			18 Sep 2020	-500	70500	0.50
	AT THE END OF THE YEAR					70500	0.50
9	VARSHA SHARAD SHAH	150564	1.07			150564	1.07
	Transfer			03 Apr 2020	3019	153583	1.09
	Transfer			19 Feb 2021	-50000	103583	0.74
	Transfer			26 Feb 2021	-46482	57101	0.41
	AT THE END OF THE YEAR					57101	0.41
10	MITA DIPAK SHAH	50000	0.35			50000	0.35
	AT THE END OF THE YEAR					50000	0.35
11	SANJAY BHAICHAND VORA	45360	0.32			45360	0.32
	AT THE END OF THE YEAR					45360	0.32
12	NITA ASUTOSH MEHTA	41100	0.29			41100	0.29
	AT THE END OF THE YEAR					41100	0.29
13	V SATYA NARAYANA	40724	0.29			40724	0.29
	Transfer			27 Nov 2020	-1000	39724	0.28
	AT THE END OF THE YEAR					39724	0.28

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 14087938 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year as on April 1, 2020		Cumulative Shareholding during the year as on March 31, 2021	
				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 At the end of the year			49,66,346 49,66,346	35.25% 35.25%		0.00% 0.00%
2	Mr. Neil Patel Jt. Managing Director At the beginning of the year Changes during the year At the end of the year	30-09-20 26-03-21		4,24,810 5,39,810	3.02% 0.00% 3.83%	1,00,000 15,000	0.00% 0.71% 0.10% 0.00%
3	Mrs. Jigisha Patel Non Executive Non Independent Woman Director At the beginning of the year Changes during the year At the end of the year			18,22,205 18,22,205	12.93% 0.00% 12.93%		12.93% 0.00% 12.93%
4	Mr. Haresh Mehta Independent Director At the beginning of the year Changes during the year At the end of the year			8,300 8,300	0.06% 0.06%		0.00% 0.00%
5	Mr. Harish Mishra Independent Director At the beginning of the year Changes during the year At the end of the year			900 900	0.01% 0.00% 0.01%		0.00% 0.00%
6	Mr. Dinesh Modi Independent Director At the beginning of the year Changes during the year At the end of the year			50 50	0.00% 0.00% 0.00%		0.00% 0.00% 0.00%
7	Mr. Dinkarray D Trivedi Independent Director At the beginning of the year Changes during the year At the end of the year			- -	0.00% 0.00% 0.00%		0.00% 0.00% 0.00%
8	Mr. Hitesh Punglia Chief Financial Officer At the beginning of the year Changes during the year At the end of the year			- -	0.00% 0.00% 0.00%		0.00% 0.00% 0.00%
9	Ms. Poonam Bansal Company Secretary At the beginning of the year At the end of the year			39 39	0.00% 0.00%		0.00% 0.00%

**V. INDEBTEDNESS**

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

(Amt. ₹ Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	481.74	-	-	481.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.98	-	-	0.98
Total (i+ii+iii)	482.72	-	-	482.72
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	84.25	-	-	84.25
Net Change	84.25	-	-	84.25
Indebtedness at the end of the financial year				
i) Principal Amount	397.49	-	-	397.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.81	-	-	0.81
Total (i+ii+iii)	398.30	-	-	398.30

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Mr. Shilpan Patel Chairman & Managing Director	Mr. Neil Patel Jt. Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57,25,008.00	75,00,000.00	1,32,25,008.00
	(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)	57,46,608.00	75,21,600.00	1,32,68,208.00
	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 (₹)
		Mr. Haresh Mehta (ID)	Mr. Harish Mishra (ID)	Mrs. Jigisha Patel	Mr. Dinesh Modi (ID)	Mr. Dinkarray Trivedi (ID)	
1	Independent Directors						
	Fee for attending board committee meetings	2,41,000.00	1,90,000.00	80,000.00	2,20,000.00	1,50,000.00	8,81,000.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	8,81,000.00
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-	8,81,000.00
	Total Managerial Remuneration	-	-	-	-	-	1,41,49,208.00
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors					

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹)
		Mr. Hitesh Punglia, Chief Financial Officer	Ms. Poonam Bansal, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51,86,000.00	9,82,000	61,68,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600.00	21,600	43,200.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission	-	-	-
4	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	52,07,600.00	10,03,600.00	62,11,200.00

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. 111.13 lacs

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

Prescribed CSR expenditure for FY 2021-22	: Rs. 2.22 Lacs
Unspent CSR amount carried forward from FY 2019-20:	: Rs. 10.33 Lacs
Total amount to be spent in CSR	: Rs. 12.55 Lacs

5. Details of CSR spent during the financial year :

- (a) Total amount spent for the financial year 2021-22 : Rs. 12.55 Lacs
- (b) Amount unspent, if any – Rs.0.05 Lacs
- (c) Manner in which the amount spent during the financial year is detailed below :

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure up to the reporting period (Amt in ₹)	Amount spent: Direct (Amt in ₹)
1	Promote Social, Educational and Cultural development of the society	Social Economic Development	-	12,50,000	12,50,000	12,50,000	12,50,000

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.12.50 lacs for the Financial Year 2020-21 as above and has utilized 99.60% of the amount. Your Company will transfer the unspent CSR amount as on 31st March 2021 to fund specified in Schedule VII within 6 Months from the end of FY i.e. Till September 30, 2021.

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

For Arrow Greentech Limited

Shilpan Patel
Chairman & Managing Director
DIN: 00341068

Place: Mumbai
Date: June 24, 2021



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Arrow Greentech Ltd (AGTL) is one of the leading manufacturers of cast water-soluble film and security films. Company is continuously investing in its patent portfolio and new product development. Based on its patented technology, AGTL has invested in mouth dissolving strips manufacturing facility in pharmaceutical space and anti-counterfeit thread and security film manufacturing facility. Process upgradation, Technology Upgradation along with R&D activities is important for development of an industry and to be ahead of the competitors as it results to Quality Improvement, increase in efficiency as well as cost saving. The Company continued its focus on improving its operational efficiencies and marketing activities during the year under review. Despite a tough market environment impacted by repeated lockdowns due to covid19, the Company was able to maintain its share with large clients, focus on niche market opportunities and execute on new product development work.

AGTL is operating in two segments i.e. Green Products and High-tech Products. Both the segments have performed satisfactorily, despite several operating constraints during the year. Green Products include Water Soluble Films, Bio-Compostable Products and other Green Products and Hightech Products include Anti-Counterfeit Products, IPRs and other Hightech Products

A. Water Soluble Film (Watersol®):

Arrow Greentech Ltd (AGTL) is one of the leading manufacturers of cast water-soluble film in the world. Water soluble film, the flagship product of AGTL is marketed under the brand Watersol. Including optimum capacity utilization at the Gujarat factory, our focus will be on new business development through newer applications across segments. This shall expand, and strengthen, our growth pyramid for future. Watersol films have got varied applications across industries including Agrochemical, Construction Chemical, Dyes & Pigments, Embroidery, Health & Hygiene, Industrial engineering, Water transfer printing, and many more.

The agrochemical and home care sectors consume around 70% of the water-soluble film market in the world where your company is working closely with most key prospects and customers. AGTL is also preparing for future expansion by targeting specific segments and establishing its footprint in various international regions. AGTL is constantly investing in research and development, and continuous learning, to add more innovative products to its offerings. According to direct market intelligence, the Indian market in the home care & hygiene sector is about to offer multi-fold opportunities while the PVA film market is growing at approximately 5% CAGR globally as per secondary sources.

While hygiene, safe disposal, and proper use are non-negotiable, more so after seeing a crisis such as Covid-19, this film can be used as disinfectant laundry bags, disinfectant or fly-repellent sheets or pouches for municipal use, hand-cleaning soap strips and as capsule packs, etc. Products, such as dissolvable laundry bags are precautionary and help ensure the safety & hygiene objectives.

This packaging is environment-friendly being biodegradable and dissolving completely in water without leaving any residue and consequent environmental risk. This makes the film a preferable choice for innovative packaging for water treatment chemicals, swimming pool chemicals, concrete fibre, construction chemicals, and various inhibitors and repellents for the industry and municipal use.

With our robust research and innovation activities, we are on a mission to become one of the most sought-after global suppliers of PVA film and related application in near future.

B. Bio-Compostable Products (Bioplast®):

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



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

Following the specifications and standards of ISO 17088 for compostable plastic (by the Central Pollution Control Board) Arrow Greentech has obtained the license from CPCB.

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

C. Security Products:

AGTL has an impressive patent portfolio of security products and brand protection. These patents are having an impact on various products—like Anti-counterfeit Threads, Passport Security, Brand Protection, Paper etc. Our team has been working on various strategic alliances with the best in the world for monetising some of these patents and technologies, including producing the products within geographical boundaries of India (under Make in India initiative of GOI. Recent reforms in MSME sector for creating a holistic environment for ATMA NIRBHAR BHARAT has given a bigger boost to this division. Monetising these patents by means of cross licensing, in-licensing or out-licensing are known protocols.

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

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

D. Patents and IPR:

In today's world, the success of a company such as ours will greatly depend upon its ability to protect its intellectual property while simultaneously conducting its affairs in a manner that does not infringe upon the proprietary rights of another. The Company's organic growth and long-term success in part depends on our ability to develop inventive and commercial products which are possible only if we protect our proprietary processes, know-how, tools, techniques and other intellectual property alongside our ability to leverage them correctly.

We work closely with inventors and the scientific community, universities and people engaged in research in the all fields of our interest, we collaborate with various universities in India and abroad, so as to advance and build value in our selected fields so as to develop the most promising and revolutionary intellectual property, which will, in turn, benefit the company and create value for its investors and all of its stakeholders. We routinely file for and have been granted trademarks and patents on national and international levels which in turn allows us to enforce our intellectual property rights appropriately. Patents protect a company's inventions and product lines against infringers and many times create a windfall profit when the lawsuits are successfully prosecuted. After winning, it results in continuous royalty income, besides one-time fees as granted by the Courts.

The revenue streams from IPR come from various avenues: 1. In-licensing and producing a product (the patent protection being the responsibility of the patentee). 2. Out-licensing: Giving patent rights or claim rights to another company (normally in the user industry), limiting the same to defined territories, products, end uses or claims. Here the responsibility of protecting the licensee's interest belongs to Arrow and the incoming revenues/royalties are dependent upon the user's quantitative production and value. 3. Cross-licensing—to avoid litigation and possible infringement litigations, company conducts research via patent landscaping software, and use the provisions as



mandated in Indian Patents Act, work on compulsory licensing or cross licensing. And 4. Monies received after winning a suit as granted by the Court. Currently, AGTL has 39 granted patents nationally and internationally across Europe, USA, South Africa, Australia and Russia. As reported earlier, AGTL has claimed injunctions and is in litigation with Nu-Therapeutics and Shilpa Pharmaceuticals. Delays on awards have been due to Covid, as courts have been functioning with limited staff. Our attorneys are confident of succeeding in these litigations.

AGTL has set up a Research and Development Centre specifically to produce “POCs” (proof of concept) and working on pilot projects, once proven and subsequent out-licensing and/or producing by up-scaling our subsidiary companies in the UK has hired the services of human assets, in commercializing various patents, which led to this RND centre to be based in Mumbai. Potential customers like the look and feel of the outcome of these POCs. We are in continuous discussions with Companies on various patent revenue models.

AGTL has been a member of the “Select committee on IP” organised by CII and DIPPIIT (GOI), and continues to endeavour to ensure that Indian procurement is well in line with Atmanirbhar Bharat Policy of our Hon. Prime Minister and Hon. Finance Minister and support wherever we can to expedite the legal judgements and rulings in the IP arena and to put India in the Top 25 in GII (Global Innovative Index), as per the Vision of our Hon. Prime Minister.

The intellectual property of the company is one of its key assets and the company is and has always been in a relentless pursuit of the creation, protection and maintenance of the same.

E. Arrow UK Activities:

Arrow UK has been focusing on various avenues to generate income. It is a wholly owned subsidiary, of AGTL, India. The Board members and team of Arrow UK are aggressively working for Patent & technology commercialization. We plan to increasingly work on this subsidiary’s logistical advantage on an ongoing basis in a very friendly environment offered in western world. Along with monetization of our patents and trading in WSF films, we are also working on trade in high-tech products. Also we are in process of opening a wholly owned subsidiary company in EU region, since Brexit has come into action.

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

AGTL has invested in its wholly owned Subsidiary Company namely, Avery Pharmaceuticals Private Limited (APPL) for manufacturing of Mouth dissolving strips. Avery Pharma has successfully received license to manufacture for sale or distribution of drugs and product approval for specified products from Food & Drug Control Administration (FDCA).

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

Avery Pharma has successfully Completed precommercial stage of completing exhibit and has received approval from GMP Quality approval which ensures that quality products are manufactured. Further, the plant has received FSSAI (Nutraceutical’s supplement) license for sale or distribution of nutritional supplements. Apart from this, Avery is certified with GLP (Good Laboratory Practice), ISO (9001:2015) and ISO 22000.

Avery Pharma has expanded its potential to sell both prescription based and nutritional supplements in domestic & International Market. With these accreditations, Avery is eligible to manufacture & sell in tightly regulated countries.

At present, 15 products are approved to be marketed under RX & FSSAI. More 30 products are applied for approval of FSSAI. Nearly 25 products are under development phase and soon will be ready to be marketed & subsequently will be applied for patent. The research lab has also successfully developed combination of API in MDS technology. New developments are underway for sublingual and Buccal MDS technology.



Avery Plans to take WHO-GMP approval in a year & soon to initiate with product & facility registration in international Market. Covid19 has delayed the commencement of commercial operation from this unit but we are hopeful to see this change and enter commercial production within the next financial year.

2. Opportunities:

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

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

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

Conventional Tetra Pack packaging is composed of layers of PE, aluminum, PE, and paperboard. Arrow Pack is conceived on Arrow's ingenious hot water-soluble film technology that would deftly replace 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 a reduced risk of transfer of Bisphenol-A, a toxic chemical into food products and their subsequent consumption by humans.

Security division has huge capacity, having invested in state of the art manufacturing, and we plan to take our technology and products to world market, starting with exports to EU and EER region, while Avery Pharma and Watersol divisions are also looking to expand in South American and African continents.

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

3. Threats:

Our business operation may fluctuate due to a variety of factors such as geopolitical development, technology obsolescence over a period, increase in input costs, delay in project execution, etc. Threats also include the import of non-specified materials (like extruded films) from China, compelling us to keep our prices competitive.

4. Internal control system and their adequacy:

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

All operating 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.

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

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

Industrial relation during the year was cordial and peaceful without any disruption of manufacturing activities, except to the extent of temporary suspension of operations on account of Covid19 related lockdown. Programs aiming motivation and technical and soft skills were conducted during the year. The company has implemented various safety measures and sanitization of work place for safety of employees. Company has also implemented work from home for non-factory staff and provided required technology support and tools to function smoothly. The company considers human capital as a critical asset and success factor for smooth organizational work flow and growth of the Company as all the products, patents and product application are Niche in themselves. Therefore, the quest for building a dedicated team is ongoing which will foster the growth of the Company. Manpower as on March 31, 2021 including workers, staff and executives was 76.

6. Cautionary statement:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 24th June 2021

Shilpan P Patel
Chairman & Managing Director
DIN:00341068



REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021, in terms Regulation 17 to 27 and Clauses (b) to (i) of regulations 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

II. BOARD OF DIRECTORS

(a) Size and Composition of the Board of Directors

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

As on March 31, 2021, the Board comprised seven Directors. Of these, two are Executive Directors; one is Non-Executive Non-Independent Woman Director, including the Chairman and Managing Director who is a Promoter Director. Remaining four are Independent Directors.

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

Mr. Shilpan Patel, Chairman and Managing Director, Mr. Neil Patel, Joint Managing Director and Mrs. Jigisha Patel Non-Executive Non-Independent Woman Director are relative, except them other Directors of the Company are not related to each other.

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

(b) Number of Board Meetings

The Board of Directors met four (4) times during the financial 2020-21. The Meetings were held on June 30, 2020, August 24, 2020, November 11, 2020 and February 11, 2021. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

(b) 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, 2021 is tabulated hereunder.



Name	Category	No. of Board Meeting attended / held during 2020-21	Attendance at last AGM held on September 29, 2020	No. of directorship held in other public company	Committee Position in other companies	
					Member	Chairman
Mr. Shilpan Patel	Managing Director	4/4	Present	-	-	-
Mr. Haresh Mehta	Independent	4/4	Present	-	-	-
Mr. Harish Mishra	Independent	4/4	Present	-	-	-
Mr. Neil Patel	Jt. Managing Director	3/4	Absent	-	-	-
Mrs. Jigisha Patel (appointed on 14 th July 2020)	Non-Executive Non-Independent Woman Director	3/4	Present			
Mrs. Aradhana Singh (resigned on 30 th June 2020)	Independent	Not Applicable	Not Applicable	-	-	-
Mr. Dinesh Modi	Independent	4/4	Present	2	1	1
Mr. Dinkarray D Trivedi	Independent	4/4	Present	-	-	-

Notes:-

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

(c) 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 and Managing Director and the Joint Managing Director receive Salary, Perquisites and Allowances, while all the Non-Executive Directors receive Sitting Fees.

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

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

The Non-Executive Directors were paid sitting fees for attending the Meetings of the Board of Directors and the Committees, which is within the limits prescribed under the Companies Act, 2013. The Company pays a sitting fee of 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, 2021 and their shareholding are tabulated hereunder.

(₹ in 000')

Name of the Directors	Salary, Perquisites & Allowances	Sitting Fees	Total	No. of Shares held
Mr. Shilpan Patel	5,747	-	5,747	49,66,346
Mr. Haresh Mehta	-	241	241	8,300
Mrs. Aradhana Singh (resigned w.e.f 30 th June 2020)	-	-	-	-
Mr. Harish Mishra	-	190	190	900
Mr. Neil Patel	7,522	-	7,522	5,39,810
Mr. Dinesh Modi	-	220	220	50
Mr. Dinkarray Trivedi	-	150	150	-
Mrs. Jigisha Patel	-	80	80	18,22,205

(g) Employee Stock Option Scheme:

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

(h) Management Discussion and Analysis

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

(i) Code of Conduct

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

These Codes have been posted on the Company's website www.arrowgreentech.com. 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, 2021. A declaration to this effect signed by Mr. Shilpan Patel, Chairman & Managing Director is annexed to this Report.

(j) Familiarization Programmes for Board Members

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

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

(k) Performance Evaluation and Independent Directors Meeting

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

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

During the year FY 2020-21, the Independent Directors of the Company also met on February 11, 2021, interalia, to discuss and carry out the evaluation of performance of (i) Non-Independent Directors and the Board of Directors of the Company as a whole, (ii) the evaluation of performance of the Chairman of the Company, and (iii) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties



Criteria for evaluation of independent directors:

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

- i) uphold ethical standards of integrity and probity;
- ii) act objectively and constructively while exercising their duties;
- iii) exercise their responsibilities in a bona fide manner in the interest of the Company;
- iv) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- v) assist the Company in implementing the best corporate governance practices;
- vi) strive to attend all Meetings of the Board of Directors and of the Board committees of which they are members;
- vii) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and Shareholder's interest;
- viii) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk Management are robust and defensible;
- ix) strive to safeguard the interests of all stakeholders, particularly the minority shareholders;
- x) balance the conflicting interest of the stakeholders;
- xi) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts;
- xii) keep themselves well informed about the Company and the external environment in which it operates;
- xiii) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- xiv) strive to attend the general Meetings of the Company;
- xv) acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xvi) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- xvii) ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xviii) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- xix) maintain confidentiality of information such as commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;
- xx) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc;
- xxi) they express concerns about the running of the Company or a proposed action and ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that the concerns are recorded in the Minutes of the Board Meeting;
- xxii) develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior Management of the Company;
- xxiii) fairly contribute towards proper functioning of Board or Committees of the Board.

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

- i) satisfy the criteria for independence as prescribed under Section 149 of the 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 scrutinize the performance of Management in Meeting agreed goals and objectives and monitor the reporting of performance;
- v) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- vi) contribute to determine appointment and remuneration of executive Directors, Key Managerial Personnel (KMP) and senior Management;
- vii) exercise objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.

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

III. BOARD COMMITTEE

Pursuant to SEBI Listing Regulations there were five Committees as on March 31, 2021 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**

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

As on March 31, 2021, the Audit Committee comprises four (4) Independent Directors and one (1) Executive Director. All Members of the Audit Committee possess accounting and financial management knowledge.

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

The Audit Committee met four times during the year, i.e. on June 30, 2020, August 24, 2020, November 11, 2020 and February 11, 2021. 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

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, 2021, 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 June 30, 2020, and February 11, 2021. The Minutes of the Nomination and Remuneration Committee Meetings are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder:

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

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

- 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, 2021, this Committee comprises 3 (three) members of which, 2 (Two) are Non-Executive Directors. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship / Grievance Redressal Committee. The Composition of Stakeholders Relationship / Grievance Redressal Committee as on March 31, 2021, is given below:

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

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

The Committee deals with the following matters:

- Noting transfer/transmission of shares.
- Review of dematerialised/rematerialised shares and all other related matters.



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

(d) 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 two times during the previous financial year i.e. on June 30, 2020, and February 11, 2021.

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

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

IV. DISCLOSURES

a) Related party transactions:

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

b) Compliance by the Company

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

c) Disclosure of Accounting Treatment

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

d) Disclosures of Risk Management

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

e) CEO / CFO Certification

A certification in the terms of Regulation 17(8) of SEBI (LODR) Regulation 2015 from (CEO) Mr. Shilpan Patel, Chairman & Managing Director of the Company, in respect of financial year ended March 31, 2021 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, 2021 have been prepared as per applicable Ind AS and policies and that sufficient care has been taken for maintaining adequate accounting records.



g) Whistle Blower Policy

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

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

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

V. MEANS OF COMMUNICATION:

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

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

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

VI. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue
2019-2020	September 29, 2020	11.30 a.m.	Video Conferencing (VC) or Other Audio Visual Means (OAVM)
2018-2019	September 07, 2019	10.30 a.m.	The Conference Hall, Solitaire Corporate Park, Bldg No 3, 7 th Floor, Unit No 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400093
2017-2018	September 15, 2018	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
September 29, 2020	To approve Re-appointment of Mr. Shilpan P Patel as Managing Director of the Company To approve Re-appointment of Mr. Neil S Patel as Jt. Managing Director of the Company To approve Related Party Transaction
March 29, 2019	To approve continuation of Mr. Dinkarray D Trivedi as a Director (Category- Non Executive Independent) of the Company
September 15, 2018	To approve Related Party Transaction

(iii) Special Resolutions passed through Postal Ballot

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

VII. GENERAL INFORMATION FOR SHAREHOLDERS

a) Annual General Meeting

Time : 4:00 P.M.

Date : 29th September, 2021

Venue : Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

**b) Financial Calendar:**

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

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2022 are as follows:

1st Quarter Results: by August 14, 2021

2nd Quarter Results: by November 14, 2021

3rd Quarter Results: by February 14, 2022

4th Quarter & Annual Results: Before May 30, 2022

d) Date of Book Closure : 25th September, 2021 to 29th September, 2021 (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 2020-21 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 2020-2021 at BSE and NSE:

Month	Company's Shares price at BSE Ltd* (₹)		Company's Shares price at NSE Ltd* (₹)		BSE Sensex		Nifty	
	High	Low	High	Low	High	Low	High	Low
April, 2020	41.00	31.65	41.85	31.65	33887.25	27500.79	9889.05	8055.80
May, 2020	37.95	30.70	38.00	30.60	32845.48	29968.45	9598.85	8806.75
June, 2020	56.90	33.85	56.05	33.00	35706.55	32348.1	10553.15	9544.35
July, 2020	49.00	39.50	50.10	39.05	38617.03	34927.2	11341.40	10299.60
August, 2020	57.05	39.10	57.30	39.00	40010.17	36911.23	11794.25	10882.25
September, 2020	52.10	40.50	53.70	42.15	39359.51	36495.98	11618.10	10790.20
October, 2020	52.00	46.05	52.00	45.95	41048.05	38410.2	12025.45	11347.05
November, 2020	51.00	43.00	51.25	43.55	44825.37	39334.92	13145.85	11557.40
December, 2020	65.80	45.85	66.00	45.75	47896.97	44118.1	14024.85	12962.80
January, 2021	66.60	53.00	67.90	52.55	50184.01	46160.46	14753.55	13596.75
February, 2021	87.05	53.55	86.55	53.05	52516.76	46433.65	15431.75	13661.75
March, 2021	85.90	64.80	84.00	65.20	51821.84	48236.35	15336.30	14264.40

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

j) Share Transfer System:

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


VIII. Shareholding pattern as at March 31, 2021:

Sr. No	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	99,00,555	70.27
2.	Mutual Funds/UTI	-	-
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	-	-
4.	Venture Capital Funds	-	-
5.	Foreign Portfolio Investors	29,073	0.20
6.	Bodies Corporate	1,11,671	0.79
7.	Individuals		
	< Rs. 2 Lac	23,30,399	16.57
	> Rs. 2 Lac	10,64,386	7.56
8.	Clearing Member	18,291	0.13
9.	NRI	1,65,880	1.17
10.	Trust	-	-
11.	Overseas Corporate Bodies	1,76,626	1.25
12.	Investor Education & Protection Fund (IEPF)	94,744	0.67
13.	HUF	1,96,313	1.39
	TOTAL	1,40,87,938	100.00

IX. The Distribution of Shareholding as at March 31, 2021:

Slab of Shares Holding	Share Holders	%	Amount (₹ in 000')	%
1 - 500	6815	87.28	7607	5.4
501 - 1000	514	6.58	3989	2.83
1001 - 2000	210	2.69	3239	2.29
2001 - 3000	80	1.02	2005	1.42
3001 - 4000	34	0.44	1208	0.86
4001 - 5000	34	0.44	1583	1.12
5001 - 10,000	59	0.76	4302	3.05
10,001 - Above	62	0.79	116953	83.02
Total	7808	100.00	140879	100.00

X. Dematerialization of shares and liquidity:

As on March 31, 2021 about 97.97% of the Company's Equity Shares were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and dematerialised form as on March 31, 2021, is given below:

Category	No. of Shares	%
NSDL	1,14,71,982	81.44
CDSL	24,20,739	17.18
PHYSICAL	1,95,217	1.38
TOTAL	1,40,87,938	100.00

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



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

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

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

XIII. Plant location:

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

XIV. Address for Investor Correspondence:

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

Link Intime India Pvt. Ltd,
Unit : “Arrow Greentech Ltd.”
C 101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai- 400083
Tel No. : 022 – 49186270
Fax No. : 022 – 49186060
E-mail: rnt.helpdesk@linkintime.co.in

For General Correspondence:

Ms. Poonam Bansal
Company Secretary & Compliance Officer

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

XV. Auditors’ Certificate on Corporate Governance:

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

XVI. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

(i) Revalidation of Dividend warrants:

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

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

Under the Companies Act, 2013, dividends which remain unclaimed for a period of 7 years are required to be transferred to the Investor Education & Protection Fund (IEPF) administered by the Central Government Dates of declaration of dividends since Financial Year 2013-14 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the table below.



Financial Year	Type of Dividend	Dividend Per Share ₹	Date of Declaration	Due date for Transfer to IEPF	Amount remaining unclaimed / unpaid as on March 31, 2021 (₹ in 000')
31.03.2014	Final	1.50	Sep 29, 2014	Nov 04, 2021	423.6
31.03.2015	Final	2.50	Sep 29, 2015	Nov 04, 2022	643.05
31.03.2016	Interim	3.00	Feb 06, 2016	Mar 14, 2023	702.78
31.03.2016	Final	1.50	Sep 27, 2016	Nov 03, 2023	454.1
31.03.2017	Final	5.60	Sep 13, 2017	Oct 19, 2024	1338.59
31.03.2018	Final	2.00	Sep 15, 2018	Oct 21, 2025	516.66
31.03.2019	Final	0.50	Sep 07, 2019	Oct 13, 2026	138.92

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

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

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

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

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

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

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

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 14, 2021

Shilpan P Patel
Chairman & Managing Director



DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

To
The Member of
Arrow Greentech Ltd.

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

Place: Mumbai
Date: June 24, 2021

Sd/-
Shilpan P Patel
Chairman & Managing Director



ARROW GREENTECH LIMITED

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

To The Members of

Arrow Greentech Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 04, 2020.
2. We have examined the compliance of conditions of Corporate Governance by Arrow Greentech Limited ('the Company'), for the year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

8. Based on our examination, as above, and to the best of the information and explanations given to us and representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2021.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

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

Snehal Shah
Partner
Membership No. 048539
UDIN: 21048539AAAAEU9447

Place: Mumbai
Date: August 14, 2021

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To
The Members
ARROW GREENTECH LIMITED

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca. gov. in taken on 14/08/2021) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sir No	Name of the Directors	DIN	Date of appointment in Company.
1	DINESH NAVNITLAL MODI	00004556	05/08/2014
2	SHILPAN PRAVIN PATEL	00341068	30/10/1992
3	HARESH CHHOTALAL MEHTA	00376589	29/09/2015
4	DINKARRAY DURGASHANKAR TRIVEDI	00380306	13/02/2017
5	NEIL SHILPAN PATEL	00607101	01/06/2012
6	HARISH BALBHADRA MISHRA	05301127	01/06/2012
7	JIGISHA SHILPAN PATEL	01899528	14/07/2020

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

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

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

**Place : Mumbai
Dated : 14th August 2021**

UDIN No F004247C000786006

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

We have audited the accompanying standalone Ind AS financial statements of **Arrow Greentech Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 48 to the standalone Ind AS financial statements which explains the uncertainties and the management's evaluation of the financial impact on the Company due to lockdown and other restrictions imposed by the local governments on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors' Report forming part of Annual Report but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

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

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

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



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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(1) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare



circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of the written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
 - g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 on Contingent Liabilities to the standalone Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Snehal Shah

Partner
Membership No. 048539
UDIN: 21048539AAAACU7118
Place: Mumbai
Date: June 24, 2021

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

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of **Arrow Greentech Limited** ("the Company") on the standalone Ind AS financial statements for the year ended March 31, 2021]

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

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

Land/ Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2021 (₹ in ₹ 000)	Net Block as on March 31, 2021 (₹ in ₹ 000)
Office Building	1	Freehold	134	34

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

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

However, undisputed dues in respect of profession tax and GST which were outstanding, at the year end for a period of more than six months from the date they became payable are as follows:

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



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

Name of the statute	Nature of dues	Amount (₹ in '000)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	VAT	2,839	2003-2004	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	442	2003-2004	Asst Commissioner of Sales Tax (Appeal), Mumbai
Maharashtra Value Added Tax Act, 2002	VAT	3,671	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	3,521	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	12,188	2007-2008	Asst Commissioner of Sales Tax (Appeal), Mumbai
Income Tax Act, 1961	Income Tax	6,888	A.Y.2014-2015	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	51,784	A.Y.2017-2018	Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	2,345	A.Y.2015-2016	Income Tax Appellate Tribunal

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

Nature of the fund raised	Details of default (Reason /Delay)	Amount (₹ in ₹000)	Subsequently rectified (Yes/No) and details
Rights issue	Rights Issue was done in financial year 2019-20. The unutilized money has been kept in fixed deposit, refer note no. 47 of Standalone Ind AS Financial Statements for details pertaining to unutilized portion of Right Issue proceeds as at March 31, 2021.	8,495	No, will be rectified subsequently as per the pending clearance required to be obtained and other spending requirements.

- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Snehal Shah

Partner

Membership No.048539

UDIN: 21048539AAAACU7118

Place: Mumbai

Date: June 24, 2021



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Arrow Greentech Limited** on the standalone Ind AS financial statements for the year ended March 31, 2021]

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

We have audited the internal financial controls with reference to financial statements of Arrow Greentech Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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



Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

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

Snehal Shah
Partner
Membership No. 048539
UDIN: 21048539AAAACU7118
Place: Mumbai
Date: June 24, 2021

**BALANCE SHEET AS AT MARCH 31, 2021**

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

Particulars	Notes	As at	
		March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,35,168	1,51,342
Right of use assets	3A	1,172	3,263
Intangible assets	3	8,834	13,423
Intangible assets under development	3	3,364	3,762
Investment Property	4	1,286	1,352
Investment in subsidiaries and associates	5	7,902	7,902
Financial assets			
(i) Investments	5A	55,530	97,600
(ii) Loans	6	1,86,917	1,39,154
(iii) Other Financial Asset	7	1,690	903
Deferred tax assets (Net)	35(c)	11,467	-
Income tax assets (Net)	8	10,444	7,893
Other non - current assets	9	66,661	61,734
Total Non-current assets		4,90,435	4,88,328
Current assets			
Inventories	10	31,390	30,513
Financial assets			
(i) Trade Receivables	11	66,858	26,299
(ii) Cash and cash equivalents	12	6,815	25,160
(iii) Bank balances other than (ii) above	13	83,664	91,399
(iv) Loans	14	100	2,179
(v) Other financial assets	15	518	422
Other current assets	16	32,460	37,566
Total current assets		2,21,805	2,13,538
TOTAL ASSETS		7,12,240	7,01,866
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,40,879	1,40,879
Other Equity	18	4,61,644	4,35,948
Total Equity		6,02,523	5,76,827
Non-current liabilities			
Borrowings	19	30,150	39,683
Provisions	20	2,272	1,443
Deferred tax liabilities (Net)	35(c)	-	231
Lease Liabilities	3A	345	562
Total Non current Liabilities		32,767	41,919
Current liabilities			
Financial liabilities			
(i) Trade payables	21		
- Total outstanding dues to Micro and Small Enterprises		501	238
- Total outstanding dues to others		16,015	24,548
(ii) Other financial liabilities	22	53,975	50,379
Provisions	23	2,448	2,211
Other current liabilities	24	4,011	5,744
Total current Liabilities		76,950	83,120
Total Liabilities		1,09,717	1,25,039
TOTAL EQUITY AND LIABILITIES		7,12,240	7,01,866
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements (1-51)

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

Chartered Accountants

ICAI FRN No. 103523W / W100048

Snehal Shah

Partner

Membership No. 048539

Place : Mumbai

Date : June 24, 2021

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

Managing Director

DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Jt. Managing Director

DIN No - 00607101

Poonam Bansal

Company Secretary


STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	Notes	Year ended	
		March 31, 2021	March 31, 2020
INCOME			
Revenue from Operations	25	2,67,707	3,14,518
Other Income	26	31,422	27,131
Total Income		2,99,129	3,41,649
EXPENSES			
Cost of Material Consumed	27	38,236	34,439
Purchase of stock-in-trade		31,668	93,330
Change in inventory of finished goods, work-in-progress & stock in trade	28	14,507	(6,196)
Employees Benefits Expenses	29	58,215	66,140
Finance Costs	30	6,268	4,514
Depreciation and Amortisation expenses	3-4	42,216	32,341
Other Expenses	31	91,945	91,085
Total Expenses		2,83,055	3,15,653
Profit before exceptional Items and tax		16,074	25,996
Exceptional Items	32	-	3,220
Profit before tax		16,074	22,776
Income tax expense			
Current Tax	35	2,718	4,933
Deferred Tax	35	(11,877)	(3,347)
Total tax expense		(9,159)	1,586
Profit after tax		25,233	21,190
<u>Other comprehensive income not to be reclassified to profit or loss :</u>			
Re-measurement gains/ (losses) on defined benefit plans		(642)	(169)
Income tax relating to the above items		179	47
		463	(122)
Total comprehensive income for the year, net of tax		25,696	21,068
Earnings per equity share (₹)			
Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2020 : ₹ 10)]	36	1.79	1.79

The accompanying notes are an integral part of these financial statements (1-51)

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

 Chartered Accountants
 ICAI FRN No. 103523W / W100048

Snehal Shah

 Partner
 Membership No. 048539

Place : Mumbai

Date : June 24, 2021

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

 Managing Director
 DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

 Jt. Managing Director
 DIN No - 00607101

Poonam Bansal

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2021

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Operating activities		
Profit before tax after exceptional items	16,074	22,776
<u>Adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation	42,216	32,341
Loss by Fire (Exceptional Item)	-	3,220
Fair value gain on non-current investments	(1,229)	(2,825)
Provision For Doubtful Debts	475	5,180
Provision For Doubtful Advances	2,283	1,056
Provision advance written back	(1,067)	-
Sundry balances written back	(6,102)	-
Unrealised Foreign Exchange gain	1,273	(32)
Net gain on sale of Long term investments	645	(745)
Loss on Sale/write off of Property, plant and equipment	504	59
Finance Cost	6,268	4,514
Interest income	(19,597)	(10,476)
Dividend Income	(2,547)	(11,494)
	39,196	43,574
Working capital adjustments:		
Decrease/ (Increase) in Loans and Advances	1,123	(957)
Decrease/ (Increase) in non-current assets	5,927	26,314
Decrease / (Increase) in trade receivables	(40,310)	39,732
Decrease/ (Increase) in current assets	6,173	(3,480)
Decrease/ (Increase) in Inventories	(877)	(5,060)
Increase/ (Decrease) in provisions	1,708	847
Increase/ (Decrease) in trade payables	(10,266)	(6,994)
Increase/ (Decrease) in other financial Liabilities	2,488	11,300
Increase/ (Decrease) in other Liabilities	(1,951)	2,471
Decrease/ (Increase) in Financial asset	-	(153)
	3,210	1,07,594
Income tax paid	(5,269)	(5,449)
Net Cash Flow from/ (utilised in) operating activities	(A)	1,02,145
Investing activities		
Purchase of Property, plant and equipment including CWIP	(24,153)	(96,296)
Investments in/ (Redemption of) shares of subsidiary company	-	(2,550)
Loan to subsidiary company	(49,090)	(91,118)
Maturity of mutual fund investment, net	42,654	22,922
(Investments in)/maturity of Bank deposits	6,948	(84,304)
Dividend Received	2,547	11,504
Interest Received	19,501	10,339
Net cash flows from investing activities	(B)	(2,29,503)
Financing activities:		
Proceeds from issues of shares	-	84,528
Proceeds from Long term Borrowing	-	52,500
Repayment of Long term Borrowing	(8,425)	(4,326)
Finance cost Paid	(6,268)	(4,514)
Dividend paid, including dividend tax	-	(5,870)
Net cash (used in) financing activities	(C)	1,22,318
Net Increase / (Decrease) In Cash And Cash Equivalents	(A+B+C)	(5,040)
Effect of exchange difference on Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the year	25,160	30,200
Cash and Cash equivalents at the end of the year (refer note - 12)	6,815	25,160



CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2021

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Components of closing cash and cash equivalents		
Cash on hand	186	320
Balances with Banks		
In Current Accounts	6,454	24,840
Deposits with original maturity of less than 3 months	175	-
Cash and Cash equivalents at the end of the year	6,815	25,160

Particulars	Balance as at 01-Apr-20	Cash flows	Balance as at 31-Mar-21
Non current borrowings, refer note 19	48,174	(8,425)	39,749
Total	48,174	(8,425)	39,749

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

Notes:

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

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

The accompanying notes are an integral part of these financial statements (1-51)

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : June 24, 2021

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

Shilpan Patel
Managing Director
DIN No - 00341068

Hitesh Punglia
Chief Financial Officer

Neil Patel
Jt. Managing Director
DIN No - 00607101

Poonam Bansal
Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

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

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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning	1,40,87,938	1,40,879	1,17,39,948	1,17,399
Changes in equity share capital during the year (Refer Note 17 (c))	-	-	23,47,990	23,480
Balance at the end	1,40,87,938	1,40,879	1,40,87,938	1,40,879

b. Other Equity

	Attributable to owners				
	Reserves and Surplus				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total
Balance at March 31, 2019	29,199	8,218	200	3,23,640	3,61,257
Profit for the year	-	-	-	21,190	21,190
Other comprehensive income (net of tax)	-	-	-	(122)	(122)
Total comprehensive income for the year	-	-	-	21,068	21,068
Addition during the Year - Right Issue (Refer Note 17 (c))	61,048	-	-	-	61,048
Opening Balance impact of IND AS 116	-	-	-	(1,555)	(1,555)
Transactions with owners of company					
Cash dividends	-	-	-	(5,870)	(5,870)
Balance at March 31, 2020	90,247	8,218	200	3,37,283	4,35,948
Profit for the year	-	-	-	25,233	25,233
Other comprehensive income (net of tax)	-	-	-	463	463
Total comprehensive income for the year	-	-	-	25,696	25,696
Opening Balance impact of IND AS 116	-	-	-	-	-
Transactions with owners of company	-	-	-	-	-
Balance at March 31, 2021	90,247	8,218	200	3,62,979	4,61,644

The accompanying notes are an integral part of these financial statements (1-51)

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : June 24, 2021

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

Shilpan Patel
Managing Director
DIN No - 00341068

Hitesh Punglia
Chief Financial Officer

Neil Patel
Jt. Managing Director
DIN No - 00607101

Poonam Bansal
Company Secretary



Notes to the financial statements for the year ended March 31, 2021

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

1. Corporate Information

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

2. Significant accounting policies

A Basis of accounting and preparation of Financial Statements:

Compliance with Indian Accounting Standards (Ind AS):

- a) These Standalone Ind AS Financial Statements ("Financial Statements") of the Company, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") as notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These Financial Statements were authorized for issue by the Company's Board of Directors on June 24, 2021.

Functional and Presentation Currency

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

Basis of measurement

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

Use of Estimates and Judgements

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

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

The areas involving critical estimates or judgments are:

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

B Revenue Recognition

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

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

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

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



Notes to the financial statements for the year ended March 31, 2021

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

C Property, Plant and Equipment

i) Recognition and measurement:

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

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

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

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

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

ii) Depreciation

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

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

iii) Intangible Assets

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

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

iv) Capital work in Progress

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

D Investment Property

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

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



Notes to the financial statements for the year ended March 31, 2021

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

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

E Research and Development Cost:

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

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

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

F Impairment of Assets:

i) Financial assets

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

ii) Non Financial Assets:

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

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

G Investment in subsidiaries and associates

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

H Inventories:

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

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



Notes to the financial statements for the year ended March 31, 2021

I Employee Benefits

i) Short-term obligations

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

ii) Other long-term employee benefit obligations

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

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

iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Benefit Plans - Gratuity obligations

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

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

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

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

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

- Defined contribution plan

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

J Leases (where the company is lessee):

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

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

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.



Notes to the financial statements for the year ended March 31, 2021

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

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

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

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

K Foreign Currency Transactions / Translations

Transactions and balances

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

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

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

L Income Tax

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

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where



Notes to the financial statements for the year ended March 31, 2021

the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

M Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing:

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

N Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

O Contingent Liabilities

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

P Cash and cash equivalents

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

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

Cash Flows

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

Q Dividend

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

R Derivatives and hedging activities

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

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

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge



Notes to the financial statements for the year ended March 31, 2021

accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Statement of Profit and Loss.

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

(ii) Derivatives that are not designated as hedges

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

S Financial instruments

a. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

b. Financial assets

Initial recognition and measurement

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

Classification and subsequent measurement

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

i) Financial assets amortised at cost

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

ii) Financial assets at fair value through other comprehensive income

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



Notes to the financial statements for the year ended March 31, 2021

iii) Financial assets at fair value through profit or loss

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

Equity investments

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

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

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

Derecognition

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

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

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

T Current–non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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

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

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



Notes to the financial statements for the year ended March 31, 2021

U Operating cycle

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

V Segment Reporting

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

Segment revenue includes income directly identifiable with the segments.

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

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

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

Recent Accounting Developments

The Ministry of Corporate Affairs ("MCA") vide notification dated March 24, 2021 amended the Schedule III of the Companies Act, 2013. The amendments related to Division I, II and III of Schedule III and are applicable starting April 01, 2021. Key amendments relating to Division II which related to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters. Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The said amendments will be given effect by the Company for period starting April 01, 2021.



Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian ₹ in thousand unless otherwise stated)

3 Tangible and intangible assets

	Gross carrying amount			Accumulated depreciation / amortisation			Net block		
	Carrying amount as at April 01, 2020	Additions during the year	Disposal / adjustment during the year	As at March 31, 2021	Up to April 01, 2020	Charge for the year	Disposal / adjustment during the year	Up to March 31, 2021	As At March 31, 2021
A Property, plant and equipment									
Leasehold Land	3,117	-	-	3,117	133	36	-	169	2,984
Factory Building	20,945	220	-	21,164	8,745	2,650	-	11,396	12,199
Plant and Equipment	2,14,147	24,809	(10,708)	2,28,248	85,859	29,401	(3,107)	1,12,153	1,28,288
Furniture and Fixtures	3,528	294	-	3,823	2,459	797	-	3,256	1,069
Electrical Installation	5,358	467	-	5,825	1,788	984	-	2,773	3,569
Vehicles	3,797	-	(641)	3,156	2,800	282	(541)	2,540	997
Office Equipment	4,091	216	-	4,307	2,586	597	-	3,183	1,506
Computer	4,068	495	-	4,563	3,549	210	-	3,759	519
Office Building	229	-	-	229	19	16	-	35	210
Total A	2,59,280	26,501	(11,349)	2,74,431	1,07,938	34,973	(3,648)	1,39,264	1,51,342
B Intangible assets									
Patent rights	21,066	-	-	21,066	7,643	4,590	-	12,232	13,423
Total B	21,066	-	-	21,066	7,643	4,590	-	12,232	8,834
C Intangible assets under development									
Patent rights	3,117	247	-	3,364	-	-	-	-	3,117
Software development	645	-	(645)	-	-	-	-	-	645
Total C	3,762	247	(645)	3,364	-	-	-	-	3,762
Total (A+B+C)	2,84,108	26,748	(11,994)	2,98,861	1,15,580	39,563	(3,648)	1,51,496	1,68,527

Note :

- (1) Building having gross value of ₹. 134 (P.Y. ₹. 134) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the Company in due course.
- (2) Assets Disposal during the year include assets write off (Plant and Equipment ₹ 3,223) (P.Y. Nil)
- (3) Details of property, plant & equipment hypothecated: Hypothecation of fixed assets acquired by availment of borrowing (Refer note 19).



Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian ₹ in thousand unless otherwise stated)

3 Tangible and intangible assets

	Gross carrying amount		Accumulated depreciation / amortisation			Net block			
	Carrying amount as at April 01, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	Charge for the year	Disposal during the year	Up to March 31, 2020	As At March 31, 2019	As At March 31, 2020
A Property, plant and equipment									
Leasehold Land	3,117	-	-	3,117	36	-	133	3,020	2,984
Factory Building (Refer note 2 below)	31,580	3,975	(14,610)	20,945	2,599	-	8,745	25,434	12,199
Plant and Equipment (Refer note 2 below)	1,41,738	86,664	(14,255)	2,14,147	20,771	-	85,859	76,650	1,28,288
Furniture and Fixtures (Refer note 2 below)	4,882	558	(1,911)	3,528	885	-	2,459	3,308	1,069
Electrical Installation	2,973	2,385	-	5,358	523	-	1,788	1,708	3,569
Vehicles	3,888	-	(91)	3,797	427	-	2,800	1,515	997
Office Equipment	3,702	389	-	4,091	807	-	2,586	1,923	1,506
Computer	4,068	-	-	4,068	571	-	3,549	1,090	519
Office Building (Refer note 1 below)	45	184	-	229	14	-	19	39	210
Total A	1,95,992	94,155	(30,867)	2,59,280	26,633	-	1,07,938	1,14,687	1,51,342
B Capital work-in-progress	6,440	77,935	(84,375)	-	-	-	-	6,440	-
Total B	6,440	77,935	(84,375)	-	-	-	-	6,440	-
C Intangible assets	21,066	-	-	21,066	2,238	-	7,643	15,661	13,423
Patent Rights	21,066	-	-	21,066	2,238	-	7,643	15,661	13,423
Total C	21,066	-	-	21,066	2,238	-	7,643	15,661	13,423
D Intangible assets under development	4,458	338	(1,679)	3,117	-	-	-	4,458	3,117
Patent Rights	4,458	338	(1,679)	3,117	-	-	-	4,458	3,117
Software development	1,096	-	(451)	645	-	-	-	1,096	645
Total D	5,553	338	(2,129)	3,762	-	-	-	5,553	3,762
Total (A+B+C+D)	2,29,052	1,72,427	(1,17,371)	2,84,108	28,870	-	1,15,580	1,42,341	1,68,527

Note: (1) Building having gross value of ₹. 134 (P.Y. ₹. 134) is pending for registration in the name of the Company. Management is of the opinion that the building will be transferred in the name of the Company in due course.

(2) Assets Disposal during the year include assets destroyed by fire (Factory Building ₹ 14,610, Plant and Equipment ₹ 13,818, Furniture and Fixtures ₹ 1,911).


Notes to the financial statements for the year ended March 31, 2021

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

3A Right to use
(i) Amounts to be recognised in balance sheet as on March 31, 2021

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2021	March 31, 2020
Lease hold land/building	1,172	3,263
Total	1,172	3,263

Lease liabilities	March 31, 2021	March 31, 2020
Current	1,233	3,609
Non - Current	345	562
Total	1,578	4,171

(ii) Amounts to be recognised in Statement of Profit and Loss for the year ended March 31, 2021

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

Depreciation	March 31, 2021	March 31, 2020
Lease hold land/building	2,587	3,471
Total	2,587	3,471

Interest expenses on lease liabilities (included in finance cost) ₹ 364 (P.Y. ₹ 901)

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

Particulars	March 31, 2021	March 31, 2020
Operating cash flows : Interest expenses	364	901
Total	364	901



Notes to the financial statements for the year ended March 31, 2021

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

4 Investment Property

	Gross carrying amount		Accumulated depreciation / amortisation			Carrying amount			
	Carrying amount as at April 01, 2020	Disposals during the year	As at March 31, 2021	Up to April 01, 2020	Charge for the year	Disposal during the year	Up to March 31, 2021	As at March 31, 2020	As at March 31, 2021
Guest House	1,651	-	1,651	299	66	-	365	1,352	1,286
Total	1,651	-	1,651	299	66	-	365	1,352	1,286

	Gross carrying amount		Accumulated depreciation / amortisation			Carrying amount			
	Carrying amount as at April 01, 2019	deletion during the year	As at March 31, 2020	Up to April 01, 2019	Charge for the year	Disposal during the year	Up to March 31, 2020	As at March 31, 2019	As at March 31, 2020
Guest House	1,651	-	1,651	230	69	-	299	1,421	1,352
Total	1,651	-	1,651	230	69	-	299	1,421	1,352

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

	As at March 31, 2021	As at March 31, 2020
Depreciation	66	69
Profit / (loss) from investment property	(66)	(69)
(ii) Fair value		
Investment property #	2,555	2,555

Estimation of Fair value

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


Notes to the financial statements for the year ended March 31, 2021

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

5 Non-current Investments

	As at			
	March 31, 2021		March 31, 2020	
	Nos.	Amount	Nos.	Amount
Investment in Equity instruments of subsidiaries (Unquoted) (Fully paid up) (Trade)				
Investment in Arrow Green Technologies (UK) Limited of face value £1 each (100% holding)	20,099	1,602	20,099	1,602
Investment in Arrow Secure Technology Private Limited of face value ₹ 10 each (100% holding)	4,31,175	-	4,31,175	-
Investment in Avery Pharmaceuticals Private Limited of face value ₹ 10 each (99% holding)	2,47,500	2,475	2,47,500	2,475
Investment in LQ Arrow Security Products (India) Private Limited of face value ₹ 10 each (51% holding)	3,82,499	3,825	3,82,499	3,825
		7,902		7,902
Investment in Equity instruments of Associates (Unquoted) (Fully paid up) (Trade)				
Investment in SP Arrow Bio-Polymer Products Private Limited of face value ₹ 10 each (46% holding)	4,600	-	4,600	-
Investment in Sphere Bio-Polymers Private Limited of face value ₹ 10 each (49% holding)	4,900	-	4,900	-
		7,902		7,902
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		7,902		7,902
Aggregate amount of impairment in the value of investments		-		-
5 A Investments				
<u>in Equity Instruments (Unquoted), (Fully Paid). Non-Trade, at amortized cost</u>				
Shamrao Vithal Co- operative Bank		9		9
<u>in Equity Instruments (Unquoted), (Fully Paid). Non-Trade, at Fair value through Profit or Loss</u>				
Equity Shares of ₹ 25 each	300		300	
Equity Shares of ₹ 10 each	100		100	
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		55,521		97,591
		55,530		97,600
Aggregate amount of quoted investments and market value thereof		55,521		97,591
Aggregate amount of unquoted investments		9		9
Aggregate amount of impairment in the value of investments		-		-


Notes to the financial statements for the year ended March 31, 2021

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

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

	As at			
	March 31, 2021		March 31, 2020	
	Units	Amount	Units	Amount
HDFC Corp Debt Opportunities Fund-Regular *	-	-	26,87,329	44,734
ICICI Prudential Savings Fund - Daily Dividend	96,341	10,181	4,99,901	52,857
HDFC Liquid Fund- Regular Plan - Growth	11,285	45,340	-	-
		55,521		97,591

* Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2019-20.

	As at	
	March 31, 2021	March 31, 2020
6 Loans		
<u>Unsecured, considered good</u>		
Security deposits - Others	3,326	4,584
Loan to Employees	203	272
Loan to Subsidiary (Refer Note 42 and 50)	1,83,388	1,34,298
	1,86,917	1,39,154
7 Other financial assets		
Fixed deposits with Bank (maturity more than 12 months) *	1,690	903
	1,690	903
*Held as lien by bank against bank guarantee/Security Deposit of Mar 31, 2021 ₹ 1,690; Mar 31,2020 ₹ 903		
8 Income tax assets (Net)		
Advance Income Tax (Net of Provision for Taxation of Mar 31, 2021 ₹ 73,071; Mar 31,2020 ₹ 70,353)	10,444	7,893
	10,444	7,893
9 Other non-current assets		
<u>Unsecured, considered good</u>		
Capital advances	5,476	525
Insurance Claim Receivable (Refer Note 32)	61,174	61,174
Prepaid expenses	11	35
	66,661	61,734


Notes to the financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
10 Inventories		
<u>Raw materials and components:</u>		
Polyvinyl Alcohol	9,937	3,226
Chemicals	590	604
Others	9,863	1,711
Total	20,390	5,540
<u>Work in progress:</u>		
Water Soluble Films	1,371	4,789
<u>Finished goods:</u>		
Water Soluble Films	2,362	3,012
Other (Stock in transit)	742	1,659
<u>Stock in trade</u>		
Cleaning products	166	1,551
Bioplast	5,772	3,909
Other (Including PVA)	-	10,000
	5,938	15,460
Stores and spares	586	52
	31,390	30,513
11 Trade Receivables		
<u>Unsecured</u>		
Dues from subsidiaries, considered good (Refer Note 42)	-	62
Dues from other trade receivables considered good	66,858	26,237
Dues from other trade receivables considered doubtful	8,025	7,550
Less: Allowance for doubtful debts	(8,025)	(7,550)
	66,858	26,299
Note: Trade receivable are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts		
No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Nor any trade or other receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.		
12 Cash and cash equivalents		
<u>Balance with bank:</u>		
On current accounts	6,454	24,840
Deposits with original maturity of less than 3 months	175	-
Cash on hand	186	320
	6,815	25,160
13 Bank balances other than cash and cash equivalents		
Unclaimed Dividend Account	4,216	4,384
Right Issue - Escrow Account	-	1,028
Employer Gratuity Account	37	413
Deposits with maturity of more than 3 months but less than 12 months **	79,411	85,574
	83,664	91,399

 **Held as lien by bank against bank guarantee / letter of credit of
 Mar 31, 2021 ₹ 63,427 , Mar 31, 2020 ₹ 25,171


Notes to the financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
14 Loans		
<u>Unsecured, considered good</u>		
Security deposits - Others	100	73
Loan to Other considered doubtful	2,283	2,106
Less: Allowance for doubtful debts	(2,283)	-
	100	2,179
15 Other financial assets		
<u>Unsecured, considered good</u>		
Interest accrued on deposits with bank	365	269
Export benefit receivable	153	153
	518	422
16 Other current assets		
<u>Unsecured, considered good unless stated otherwise</u>		
Advance to suppliers		
Considered Good	4,993	2,417
Considered Doubtful	1,715	2,782
Less: Provision for Doubtful Advance	(1,715)	(2,782)
	4,993	2,417
Prepaid expenses	1,344	701
Advance to employees	236	1,093
Balance with Government authorities	25,887	36,724
Less: GST on material consumed By fire (Refer Note 32)	-	(3,369)
	32,460	37,566

17 Equity share capital
a) Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised share capital				
Equity shares of ₹ 10 each	1,50,00,000	1,50,000	1,50,00,000	1,50,000
Issued, Subscribed and Paid Up :				
Equity shares of ₹ 10 each fully paid	1,40,87,938	1,40,879	1,40,87,938	1,40,879


Notes to the financial statements for the year ended March 31, 2021

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

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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,40,87,938	1,40,879	1,17,39,948	1,17,399
Add: Right issue share issued during the year (Refer Note 17(c) below)	-	-	23,47,990	23,480
Outstanding at the end of the year	1,40,87,938	1,40,879	1,40,87,938	1,40,879

c) Terms /Rights attached to Equity shares

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

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

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

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Private Limited	9,96,014	7%	11,96,014	8%
Jigisha S. Patel	18,22,205	13%	18,22,205	13%
Shilpan P. Patel	49,66,346	35%	49,66,346	35%
Shilpan Patel (HUF)	10,29,180	7%	10,79,180	8%
	88,13,745	63%	90,63,745	64%

		As at	
		March 31, 2021	March 31, 2020
18 Other Equity			
General Reserve	18 (i)	200	200
Capital Reserve	18 (ii)	8,218	8,218
Securities Premium Reserve	18 (iii)	90,247	90,247
Retained Earnings	18 (iv)	3,62,979	3,37,283
		4,61,644	4,35,948


Notes to the financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
Reserves and surplus		
18 (i) General reserve		
Balance at the beginning of the year	200	200
Movement during the year	-	-
Balance as at the year end	200	200
18 (ii) Capital reserve		
Balance at the beginning of the year	8,218	8,218
Movement during the year	-	-
Balance as at the year end	8,218	8,218
18 (iii) Securities premium reserve		
Balance at the beginning of the year	90,247	29,199
Movement during the year	-	61,048
Balance as at the year end	90,247	90,247
18 (iv) Retained earnings		
Opening Balance at the beginning of the year	3,37,283	3,23,640
Add : Profit for the year	25,233	21,190
Less : Dividend paid	-	(5,870)
Opening Balance impact of IND AS 116	-	(1,555)
Items that will not be reclassified to profit or loss :		
- Remesurment of defined benefit obligation net of taxation	463	(122)
Balance as at the year end	3,62,979	3,37,283
	4,61,644	4,35,948

Note
Nature of reserves
a) General Reserve

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

b) Capital Reserve

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

c) Securities Premium

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

d) Retained Earnings

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


Notes to the financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
19 Borrowings		
Loan from Others (Secured)		
Term Loan (Secured)	39,749	48,174
Less: Current Maturities	(9,599)	(8,491)
	30,150	39,683
Loan from a Non banking financial company of Rs. 39,749 (March 31, 2020 : Rs. 48,174) carries interest @ 12.50% p.a. The loans are repayable in 60 monthly instalments along with interest starting from October 2019. The loan is secured by hypothecation of property, plant and equipments acquired.		
20 Provisions		
Provision for employee benefits		
Leave encashment (un funded) (Refer Note 41)	2,272	1,443
	2,272	1,443
21 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	501	238
Total outstanding dues to others	16,015	24,548
	16,516	24,786
22 Other financial liabilities		
Current Maturities of Borrowing (Refer Note 19)	9,599	8,491
Interest Accrued but not due	81	98
Current Maturities of Lease Rent (Refer Note 3A)	1,233	3,609
Unclaimed Dividend ^	4,216	4,381
Employee Benefits Payable	7,854	2,837
Outstanding liability for expenses	8,708	8,528
Trade payable for capital goods (other than small and medium enterprises)		
- Dues to subsidiary (Refer Note 42)	6,067	5,594
- Dues to others	16,217	16,841
	53,975	50,379
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
23 Provisions		
Provision for employee benefits		
- Gratuity (funded) (Refer Note 41)	1,553	1,637
- Leave encashment (un funded) (Refer Note 41)	895	574
	2,448	2,211


Notes to the financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
24 Other current liabilities		
Statutory Dues Payable	3,962	1,546
Advances from customers	49	4,198
	4,011	5,744
	Year ended	
	March 31, 2021	March 31, 2020
25 Revenue from Operations		
<u>Sale of products (net of sales return)</u>		
Finished goods	1,65,206	1,17,238
Traded goods	48,257	93,997
<u>Services rendered</u>		
Royalty Income - Patent (Refer Note 42)	26,926	1,02,671
Consulting Income	26,489	600
<u>Other Operating Revenue</u>		
Sale of scrap	829	12
Revenue from Operations	2,67,707	3,14,518
Detail of Sale of Products / Services		
<u>Finished goods sold</u>		
Water Soluble Films	1,35,222	1,09,233
Other Business	29,984	8,016
	1,65,206	1,17,249
<u>Traded goods sold</u>		
Cleaning Products	2,085	1,608
Other Business	46,171	92,390
	48,257	93,997
26 Other Income		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	2,547	2,676
From Non-current Equity instruments in Subsidiaries measured at cost (Refer Note 42)	-	8,818
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	4,365	837
On Loans and Deposits (Refer Note 42)	15,178	9,495
On Others	54	144
Foreign Exchange Gain (net)	-	336
Net Gain on Sale of non-current Investments in Mutual Fund including Fair valuation	-	745
Miscellaneous Income	480	855
Sundry Balances Write Back	6,102	-
Provision For Advances written Back	1,067	-
Net Gain on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through Profit and Loss	1,229	2,825
Service Fee (Refer Note 42)	400	400
	31,422	27,131


Notes to the financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
27 Cost of Material Consumed		
Inventory at the beginning of the year	5,540	12,248
Add: Purchases	53,086	30,304
Less: Material consumed By fire (Refer Note 32)	-	2,573
Less: Inventory at the end of the year	20,390	5,540
	38,236	34,439
28 Change in inventory of finished goods, work-in-progress & stock in trade		
<u>Inventories at the end of the year</u>		
Stock In Trade	5,938	15,460
Work-in-progress	1,371	4,789
Finished goods	3,104	4,671
<u>Inventories at the beginning of the year</u>		
Stock In Trade	15,460	21,398
Work-in-progress	4,789	11,821
Finished goods	4,671	9,102
	14,507	17,401
Less: Finished goods consumed By fire (Refer Note 32)	-	23,597
	14,507	(6,196)
29 Employees Benefits Expenses		
Salary, Wages and Bonus	53,413	61,451
Contribution to Provident and other funds (Refer Note 41)	1,440	1,778
Gratuity and Leave Encashment (Refer Note 41)	2,315	1,483
Staff welfare expenses	1,047	1,428
	58,215	66,140
30 Finance Cost		
Interest on Secured Loan	5,576	3,279
Processing and Other Charges	166	55
Interest on Lease	364	901
others	162	279
	6,268	4,514


Notes to the financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
31 Other Expenses		
Consumption of stores and spares	5,457	2,142
Repair and Maintenance - Building	132	200
Repair and Maintenance - Machinery	1,427	1,286
Repair and Maintenance - Other	1,064	245
Rent (Refer Note 38)	221	418
Insurance	3,079	913
Power and Fuel	26,330	21,162
Labour Charges	4,279	4,425
Factory Expenses	2,126	2,055
Selling and Promotion Expenses	131	1,195
Freight and Forwarding	11,138	5,803
Lease Rent and Hire Charges (Refer Note 38)	-	2,420
Postage and Telephone Expenses	763	1,033
Printing and Stationery	256	493
Travelling and Conveyance	3,474	10,154
Legal and Professional Charges	10,493	12,080
Patent Charges	4,642	2,981
Patent Development Expenses Written off	-	1,678
Right Issue Expenses (Refer Note 47)	-	2,437
Loss on Sale / Write-off of Fixed Assets (net)	504	59
Provision For Advances	-	583
Provision For Doubtful debts	2,758	5,653
Payment to Auditors (Exclusive of Goods and Services tax) (Refer Note no 33)	1,535	1,615
Corporate Social Responsibility Expense (Refer Note no 34)	1,250	750
Bank Charges	517	645
Commission on Sales	3,266	-
Loss on Forward Contract	-	10
Foreign Exchange Loss / Gain (Net)	680	-
Net Loss on Sale of non-current Investments in Mutual Fund including Fair valuation	645	-
Miscellaneous Expenses	5,778	8,650
	91,945	91,086


Notes to the financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
32 Exceptional Items		
Loss by Fire*	-	3,220
	-	3,220
<p>* There was incidence of fire at one of the unit in factory of the Company located at Ankleshwar on October 30, 2019 in which certain tangible assets and inventories were damaged and destroyed. The Company has taken adequate insurance cover for tangible assets and inventories destroyed by fire. The Company has filed its insurance claim and does not expect significant impact on the Financials. Pending finalisation of insurance claim, the Company has written off inventories (including goods and service tax credit on inventories of Rs. 3,369) and written down value of tangible property, plant and equipment of Rs. 29,539 thousand and Rs. 34,856 thousand, respectively and also recognised insurance claim of Rs. 61,174 thousand and net impact of Rs. 3,220 thousand as exceptional item in March 31, 2020.</p>		
33 Payment to Auditors (Exclusive of Goods and Services tax)		
As auditor		
Auditors Remuneration	950	950
Tax audit fees	200	200
Limited review fees	300	300
<u>Other Capacity</u>		
Other services (Certification fees)	85	165
	1,535	1,615
34 Corporate Social Responsibility Expense		
<u>Gross amount required to be spent during the year</u>		
Corporate Social Responsibility Expense	1,255	1,234
<u>Amount spent during the year (paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1,250	750
<u>Amount spent during the year (yet to paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
<u>Amount Unspent</u>	5	484
	1,255	1,234


Notes to the financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
35 Income taxes		
a. Income tax expense is as follows:		
Statement of Profit and Loss		
Current tax:		
Tax for the year	2,718	4,933
Adjustments for current tax of prior periods	-	-
Total current tax expense	2,718	4,933
Deferred tax:		
Deferred tax expenses	(11,877)	(3,347)
Total deferred tax expense	(11,877)	(3,347)
Income tax expense	(9,159)	1,586
Other comprehensive income		
Deferred tax related to OCI items:		
Net loss on remeasurements of defined benefit plans	179	47
	179	47

b. Reconciliation of effective tax rate

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

	Year ended			
	March 31, 2021		March 31, 2020	
Profit before tax		16,074		22,776
Tax at the Indian tax rate	29.12%	4,681	29.12%	6,632
Tax effect of:				
Differences in tax rates in respect of dividend from foreign subsidiary & Short term capital gain on sale of Mutual Fund	0.00%	-	6.76%	1,541
Non-deductible expenses	-12.26%	(1,970)	-10.54%	(2,401)
Exempt income	-3.45%	(554)	-3.42%	(779)
Others	-70.40%	(11,315)	-14.96%	(3,407)
	-56.98%	(9,159)	6.96%	1,586


Notes to the financial statements for the year ended March 31, 2021

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

c. Deferred Tax Liabilities (net)
(i) Movement in deferred tax liabilities for the year ended March 31, 2021

	Net balance March 31, 2020	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2021
Property, plant and equipment	4,653	(5,633)	-	980
Fair valuation of investments in mutual fund	(3,310)	3,700	-	(390)
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	3,414	(4,968)	179	1,375
Others	(1,000)	(2,669)	-	3,206
MAT Credit	(3,988)	(2,308)	-	6,296
	(231)	(11,877)	179	11,467

(ii) Movement in deferred tax liabilities for the year ended March 31, 2020

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

36 Earnings Per Share	Year ended	
	March 31, 2021	March 31, 2020
Calculation of basic and diluted Earnings per share is as follows:		
Profit for the year attributable to Owners of the Company	25,233	21,190
Weighted average number of equity shares		
- Basic	1,40,87,938	1,18,23,575
- Diluted	1,40,87,938	1,18,23,575
Earnings per share (in ₹)		
- Basic	1.79	1.79
- Diluted	1.79	1.79


Notes to the financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
37 Contingent liabilities and Commitments		
Contingent Liabilities		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 349 (Previous year: ₹ 349))	23,009	23,009
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 1,304 (Previous year: ₹ 1,304))	62,321	62,321
(c) Bank Guarantees given	15,938	14,400
	1,01,268	99,730

	As at	
	March 31, 2021	March 31, 2020
38 Leases		
Lease rent expenses for the year *	221	2,838

*Lease Rent Expenses for March 31, 2021 include Rent on Machinery and Amortization of expenses of ₹ Nil (PY ₹ 2420)

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

40 Micro, Small and Medium Enterprises

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

	As at	
	March 31, 2021	March 31, 2020
Principal amount remaining unpaid at the end of the year	432	204
Interest due thereon	69	34
Interest remaining accrued and unpaid at the end of the year	69	34
Total Interest accrued and remained unpaid at year end	69	34

41 Employee benefit obligations
i) Defined Contribution Plans

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

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

	Year ended	
	March 31, 2021	March 31, 2020
Employer's Contribution to Provident Fund	1,205	1,515
Employer's Contribution to Employees State Insurance Corporation	235	263


Notes to the financial statements for the year ended March 31, 2021

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

ii) Defined Benefits Plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Company, is deducted from the gross obligation.

The following table sets forth the status of the gratuity plan of the Company, and the amounts recognized in the Balance sheet and Statement of Profit and Loss.

Funding :

The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees

Reconciliation of the net defined benefit obligation:	Year ended	
	March 31, 2021	March 31, 2020
Opening defined benefit obligation	7,117	6,429
Benefits paid	(79)	(104)
Benefit Paid Directly by the Employer	(413)	-
Current service cost	541	585
Interest cost	487	500
Actuarial losses / (gain) recognized in other comprehensive income changes in financial assumptions	10	393
experience adjustments	(303)	(686)
Closing defined benefit obligation	7,360	7,117

Reconciliation of the fair value of plan assets:	Year ended	
	March 31, 2021	March 31, 2020
Opening fair value of plan assets	5,480	5,679
Interest Income	375	441
Employer contributions	94	(413)
Benefits paid	(79)	(104)
Actuarial gains on Plan Assets	(64)	(125)
Closing fair value of plan assets	5,807	5,480

Balance sheet reconciliation	As at	
	March 31, 2021	March 31, 2020
Opening defined benefit obligation	7,117	6,429
Opening fair value of plan assets	(5,480)	(5,679)
Expenses recognised in profit and loss	652	643
Expenses recognised in Other Comprehensive Income	(642)	(169)
Employer contributions	(94)	413
Net (Asset) / Liability recognised in the Balance Sheet	1,553	1,637


Notes to the financial statements for the year ended March 31, 2021

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

Expenses recognised in Statement of Profit and Loss:

	Year ended	
	March 31, 2021	March 31, 2020
Current service cost	541	585
Interest cost	112	58
	652	643

Remeasurements recognised in other comprehensive income

	Year ended	
	March 31, 2021	March 31, 2020
Actuarial (gain) loss on defined benefit obligation	(706)	(294)
Return on plan assets excluding interest income	64	125
	(642)	(169)

Analysis of plan assets

	As at	
	March 31, 2021	March 31, 2020
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	100%	100%

Maturity profile of defined benefit obligation

	As at	
	March 31, 2021	March 31, 2020
1 Year	2,222	2,601
2 to 5 years	1,151	988
6 to 10 years	3,556	3,075
More than 10 years	6,635	6,286

Actuarial assumption

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

	As at	
	March 31, 2021	March 31, 2020
Discount Rate (p.a.)	6.82%	6.84%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected rate of return on assets	6.82%	6.84%
Attrition rate	Service <5-10% Service >=5-3%	Service <5-10% Service >=5-3%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA



Notes to the financial statements for the year ended March 31, 2021

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

Notes :

Salary escalation rate: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below;

	Year ended	
	March 31, 2021	March 31, 2020
Projected Benefit Obligation on Current Assumptions	7,360	7,117
Discount Rate: 1% increase	(459)	(420)
Discount Rate: 1% decrease	532	489
Future salary growth: 1% increase	366	322
Future salary growth: 1% decrease	(321)	(281)
Change in Rate of Employee Turnover : 1% Increase	147	140
Change in Rate of Employee Turnover : 1% Decrease	(166)	(160)

iii) Compensated absences

The Company accrues for the compensated absences, a long term employee benefit plan based on the entire available leave balance standing to the credit of the employees at year end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation as at the Balance sheet date and is charged to Statement of profit and loss in the period determined. The provision as at balance sheet dates are as follows:

	Year ended	
	March 31, 2021	March 31, 2020
Compensated absences liability	3,167	2,017

Actuarial assumption

	As at	
	March 31, 2021	March 31, 2020
Discount rate	6.82%	6.84%
Long-term rate of compensation increase	5.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 1,663 (PY ₹ 840)


Notes to the financial statements for the year ended March 31, 2021

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

42 Related party disclosures
a) Related parties and their relations

Name of Related Party	Relationship
Arrow Green Technologies (UK) Limited Arrow Secure Technology Private Limited Avery Pharmaceuticals Private Limited LQ Arrow Security Products (India) Private Limited	Subsidiary Company
Advance IP Technologies Limited	Step Down Subsidiary Company
SP Arrow Bio Polymer Products Private Limited Sphere Bio Polymer Private Limited	Associate Company
Mr. Shilpan P. Patel - Managing Director Mr. Neil Patel - Joint Managing Director Mr. Hitesh Punglia - Chief Financial Officer Mrs. Poonam Bansal - Company Secretary	Key Management Personnel (KMP)
Mrs. Jigisha S Patel*	Relative of key management personnel
Mrs. Manisha Sindhi*	Relative of key management personnel
Soluble System Private Ltd. Arrow Convertors Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence


Notes to the financial statements for the year ended March 31, 2021

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

b) Transaction with Related Parties & Outstanding Balance as on March 31, 2021 and March 31, 2020 :

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<u>Arrow Green Technologies (UK) Limited</u>				
Royalty Income - Patent	14,687	58,031	-	-
Sale of Finished Goods	689	182	-	62
Dividend Income	-	8,818	-	-
<u>Advance IP Technologies Limited</u>				
Royalty Income - Patent	12,239	44,640	-	-
Purchase of Machinery	-	-	(6,067)	(5,594)
<u>Avery Pharmaceuticals Private Limited</u>				
Loan given to Avery Pharmaceuticals Private Limited	35,400	82,900	1,60,300	1,24,900
Interest on Loan given	14,908	9,132	23,088	9,398
Sale of Services	400	400	-	-
<u>Soluble System Private Ltd.</u>				
Sale of Cleaning Product	660	1,395	95	17
<u>Mr. Shilpan P. Patel</u>				
Rent Expenses	540	1,080	(112)	(538)
<u>Arrow Convertors Private Limited</u>				
Rent Expenses	270	540	-	-
<u>Investment in subsidiaries</u>				
Arrow Green Technologies (UK) Limited	-	-	1,602	1,602
Avery Pharmaceuticals Private Limited	-	-	2,475	2,475
LQ Arrow Security Products (India) Private Limited	-	2,550	3,825	3,825
<u>Remuneration to Key Managerial Personnel & Relatives</u>				
Mr. Shilpan P. Patel - Managing Director	5,725	6,831	-	-
Mr. Neil Patel - Joint Managing Director	7,500	7,500	-	-
Mr. Hitesh Punglia - Chief Financial Officer	5,186	4,941	-	-
Mrs. Poonam Bansal - Company Secretary	982	981	-	-
Mrs. Jigisha S Patel*	-	621	-	-
Mrs. Manisha Sindhi*	-	767	-	-

*Mrs. Jigisha S Patel and Mrs. Manisha Sindhi, both has been resigned on date 31st January 2020.



Notes to the financial statements for the year ended March 31, 2021

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

43 Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

A	As at March 31, 2021	Carrying value			Fair value			
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Financial assets:								
Non Current Financial Assets								
	Investments	9	55,521	-	55,530	55,521	-	-
	Loans	1,86,917	-	-	1,86,917	-	-	-
	Other financial asset	1,690	-	-	1,690	-	-	-
Current Financial Assets								
	Trade Receivables	66,858	-	-	66,858	-	-	-
	Cash and cash equivalents	6,815	-	-	6,815	-	-	-
	Bank balances other than Cash and cash equivalents	83,664	-	-	83,664	-	-	-
	Loans	100	-	-	100	-	-	-
	Other financial assets	518	-	-	518	-	-	-
Total		3,46,571	55,521	-	4,02,092	55,521	-	-
Financial liabilities:								
Non Current Financial liabilities								
	Borrowings	30,150	-	-	30,150	-	-	-
Current Financial liabilities								
	Current Maturity of Borrowings	9,599	-	-	9,599	-	-	-
	Trade payables	16,516	-	-	16,516	-	-	-
	Other financial liabilities	44,376	-	-	44,376	-	-	-
Total		1,00,641	-	-	1,00,641	-	-	-


Notes to the financial statements for the year ended March 31, 2021

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

B	As at March 31, 2020	Carrying value			Fair value		
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2
Financial assets:							
Non Current Financial Assets							
Investments	9	97,591	-	97,600	97,591	-	-
Loans	1,39,154	-	-	1,39,154	-	-	-
Other financial asset	903	-	-	903	-	-	-
Current Financial assets							
Trade Receivables	26,299	-	-	26,299	-	-	-
Cash and cash equivalents	25,160	-	-	25,160	-	-	-
Bank balances other than Cash and cash equivalents	91,399	-	-	91,399	-	-	-
Loans	2,179	-	-	2,179	-	-	-
Other financial assets	422	-	-	422	-	-	-
	2,85,525	97,591	-	3,83,116	97,591	-	-
Financial liabilities							
Non Current Financial liabilities							
Borrowings	39,683	-	-	39,683	-	-	-
Current Financial liabilities							
Current Maturity of Borrowings	8,491	-	-	8,491	-	-	-
Trade payables	24,786	-	-	24,786	-	-	-
Other financial liabilities	41,888	-	-	41,888	-	-	-
Total	1,14,848	-	-	1,14,848	-	-	-

During the reporting period ended 31 March 2021 and 31 March 2020, there was no transfer between level 2 and level 3 fair value measurements.

44 Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**Notes to the financial statements for the year ended March 31, 2021****(All amounts in Indian ₹ in thousand unless otherwise stated)**

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk that company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increases in credit risk on other financial instruments of the same counterparty,

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Credit terms are in line with industry trends."

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows

	As at	
	March 31, 2021	March 31, 2020
Less than 180 days	44,724	18,484
From 181 - 365 days	22,241	8,028
More than 365 days	7,918	7,337
Total	74,883	33,849
Less : Provision for Doubtful Debts	8,025	7,550
Total	66,858	26,299

Expected credit loss assessment for customers as at March 31, 2020 and March 31, 2021

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.



Notes to the financial statements for the year ended March 31, 2021

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

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

	Amount
Balance as at April 1, 2019	4,389
Impairment loss recognised	3,161
Amounts written off / written back	-
Balance as at March 31, 2020	7,550
Impairment loss recognised	475
Amounts written off / written back	-
Balance as at March 31, 2021	8,025

Cash and bank balance

The Company held cash and bank balance with credit worthy banks and financial institutions of ₹ 92,169 and ₹ 1,17,462 as at March 31, 2021 and March 31, 2020, respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	As at March 31, 2021			As at March 31, 2020		
	Carrying amount	Less than 1 year	1 to 4 years	Carrying amount	Less than 1 year	1 to 4 years
Non derivative						
Borrowing (Including Interest)	49,608	14,174	35,434	63,782	14,174	49,608
Trade payables	16,516	16,516	-	24,786	24,786	-
Lease Liability	1,578	1,233	345	4,171	3,609	562
Other financial liabilities	43,062	43,062	-	38,181	38,181	-
Bank Guarantee given	-	7,357	8,582	-	3,170	11,230

iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and payables.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and ensuring compliance with market risk limits and policies.



Notes to the financial statements for the year ended March 31, 2021

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

a) Foreign currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk. The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Foreign currency exposure	US\$	EUR	GBP	Total
March 31, 2021				
Financial assets				
Trade receivables	21,317	32,618	-	53,935
Net exposure to foreign currency risk (assets)	21,317	32,618	-	53,935
Financial Liabilities				
Trade payables	5,425	3,620	3,415	12,460
Trade payables for capital Goods	-	-	16,162	16,162
Net exposure to foreign currency risk (liabilities)	5,425	3,620	19,578	28,622
Rupee Conversion Rate	73.50	86.10	100.95	
March 31, 2020				
Financial assets				
Trade receivables	6,728	12,454	62	19,244
Net exposure to foreign currency risk (assets)	6,728	12,454	62	19,244
Financial Liabilities				
Trade payables	14,660	2,976	709	18,345
Trade payables for capital Goods	-	-	14,901	14,901
Net exposure to foreign currency risk (liabilities)	14,660	2,976	15,611	33,247
Rupee Conversion Rate	75.39	83.05	93.08	

Foreign currency sensitivity

The table below demonstrates sensitivity impact on profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

Foreign currency	March 31, 2021		March 31, 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	158.92	(158.92)	(79.32)	79.32
EUR	289.99	(289.99)	(94.78)	94.78
GBP	(195.78)	195.78	(155.49)	155.49
Increase / (decrease) in profit and loss	253.13	(253.13)	(329.59)	329.59

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company main interest rate risk arises from long-term borrowings with fixed rates.

The company's borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



Notes to the financial statements for the year ended March 31, 2021

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

Interest rate risk exposure

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

	As at	
	March 31, 2021	March 31, 2020
Fixed rate borrowings	39,749	48,174
Total borrowings	39,749	48,174

45 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment (refer note 18) ratio to shareholders, return capital to shareholders or issue fresh shares. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio are as follows.

	As at	
	March 31, 2021	March 31, 2020
Borrowings		
Long term and Short term borrowings	30,150	39,683
Current maturities of Long term borrowings	9,599	8,491
Less: Cash and cash equivalents	(6,815)	(25,160)
Adjusted net debt	32,934	23,014
Total Equity	6,02,523	5,76,827
Adjusted net debt to equity ratio	0.05	0.04

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

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

46 In compliance with Ind AS 27 "Separate Financial Statements" the required information is as under

Subsidiaries	Principal place of business/country of incorporation	Percentage of ownership	
		Interest as on	
		March 31, 2021	March 31, 2020
		%	%
Arrow Green Technologies (UK) Limited	United Kingdom	100	100
Advance IP Technologies Limited	United Kingdom	95	95
Arrow Secure Technology Private Limited	India	100	100
Avery Pharmaceuticals Private Limited	India	99	99
LQ Arrow Security Products (India) Private Limited	India	51	51


Notes to the financial statements for the year ended March 31, 2021

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

Associates	Principal place of business/country of incorporation	Percentage of ownership	
		Interest as on	
		March 31, 2021	March 31, 2020
		%	%
SP Arrow Bio Polymer Products Private Limited	India	46	46
Sphere Bio Polymer Private Limited	India	49	49

47 Statement of right issue proceeds

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

There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

Pursuant to INDAS 33, basic and diluted earnings per share for the previous year have been adjusted in respect of right issue made during the year ended March 31, 2020

Particulars	Amount as per prospectus	Amount to be utilised
Gross proceeds from right issue	84,528	84,528
Less : - Right issue expenses	2,700	2,437
Net proceeds from Right issue	81,828	82,091

Utilisation of Right issue proceeds

(₹ in '000)

Particulars	Amount to be utilised	Amount utilised	Pending utilisation
Capex for ACT (Anti Counterfeit Thread) Project	10,000	8,123	1,877
Loan to Avery Pharma for Pharma Project	30,000	24,956	5,044
Working Capital Requirement	25,000	25,000	-
Other General Corporate uses	17,091	15,517	1,574
Total	82,091	73,596	8,495

48 Based on its initial assessment, the Management is consciously optimistic that there may not be any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects of COVID-19 on the carrying amounts of property, plant and equipment, patents, inventory and trade receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are generally recoverable. Having regard to the above, and the Company's operating efficiency and gradually improving liquidity position, there may not be material uncertainty generally in meeting the financial obligations over the foreseeable future.

49 The Code on Social Security, 2020 ('Code') received the Indian Parliament approval and Presidential Assent in September 2020. The Code once made effective would impact the employee benefits during employment as well as post employment benefits. The implementation of the Code has been deferred by the Central Government on March 30, 2021 and the date from which the code will be effective is yet to be notified. The impact assessment of the Code will be done by the Company once the same is made effective.

50 The company has made investment of Rs. 2,500 ('000) in Avery Pharmaceuticals Pvt Ltd. (Subsidiary Company) and granted loan (including interest) of Rs. 1,83,388 ('000) to said subsidiary company. Net worth of subsidiary company as at 31st Mar 2021 is negative, pending commencement of commercial operation. The company has obtained fair valuation of the said subsidiary company from the independent external valuer company as at 31st Mar 2021. Based on the fair valuation report and approved business operation plan, the management does not expect any impairment in the value of investment in subsidiary as required under IND AS 27 "Separate Financial Statements" and no provision for expected credit loss is considered necessary as required under INDAS 109 "Financial instruments".



Notes to the financial statements for the year ended March 31, 2021

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

- 51 Comparative previous year`s figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary to confirm to current year`s classification and presentation

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

Shilpan Patel
Managing Director
DIN No - 00341068

Neil Patel
Jt. Managing Director
DIN No - 00607101

Hitesh Punglia
Chief Financial Officer

Poonam Bansal
Company Secretary

Place : Mumbai
Date : June 24, 2021

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

We have audited the accompanying consolidated Ind AS financial statements of **Arrow Greentech Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group and its associates as at March 31, 2021, their consolidated profit (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 51 to the consolidated Ind AS financial statements which explains the uncertainties and the Management's evaluation of the financial impact on the Group (including its Associates) due to lockdown and other restrictions imposed by the local governments on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Directors' Report forming part of Annual Report, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including and its associates in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting



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

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

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

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

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

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

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

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



would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the Ind AS financial statements of five subsidiaries (including one step down subsidiary), whose Ind AS financial statements reflects total assets of Rs. 499,612 thousand and net assets of Rs. 278,554 thousand as at March 31, 2021, total revenues of Rs. 283,870 thousand and net cash inflows amounting to Rs. 40,144 thousand for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include Group's share of net profit of Rs. Nil for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of two associates, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries and associates, as noted in the Other Matters section above we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies, incorporated in India, none of the directors of the Group companies, and its associate companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and its associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, the remuneration paid/provided to their directors during the year by the Holding Company, subsidiary companies and associate companies incorporated in India is in accordance with the provisions of section 197 of the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates— Refer Note 38 to the consolidated Ind AS financial statements;
 - (ii) The Group and its associates did not have any material foreseeable losses on long term contracts including derivative contracts;



- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Snehal Shah

Partner

Membership No. 048539

UDIN: 21048539AAAACV1457

Place: Mumbai

Date: June 24, 2021

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **Arrow Greentech Limited** on the consolidated Ind AS financial statements for the year ended March 31, 2021]

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

In conjunction with our audit of the consolidated Ind AS financial statements of **Arrow Greentech Limited** ("Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company, its subsidiary companies and its associate companies.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

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

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W / W100048

Snehal Shah

Partner
Membership No. 048539
UDIN: 21048539AAAACV1457
Place: Mumbai
Date: June 24, 2021



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

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

Particulars	Notes	Year Ended	
		March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,39,328	2,48,832
Right of use assets	3A	9,931	13,252
Capital work-in-progress	3	1,08,773	89,143
Other Intangible assets	3	8,834	13,423
Intangible assets under development	3	8,058	8,359
Investment Property	4	1,286	1,352
Financial assets			
(i) Investments	5	87,106	1,45,037
(ii) Loans	6	3,529	4,856
(iii) Other Financial Asset	7	3,121	1,664
Deferred Tax Assets (Net)	36 (c)	18,467	3,825
Income tax assets (Net)	8	15,302	12,376
Other non - current assets	9	67,264	63,372
Total Non- current assets		5,70,999	6,05,491
Current assets			
Inventories	10	37,567	33,163
Financial assets			
(i) Trade Receivables	11	69,710	33,456
(ii) Cash and cash equivalents	12	1,12,760	96,135
(iii) Bank balances other than (ii) above	13	88,839	91,399
(iv) Loans	14	165	2,179
(v) Other financial assets	15	569	1,850
Other current assets	16	1,09,732	52,752
Total current assets		4,19,342	3,10,934
TOTAL ASSETS		9,90,341	9,16,425
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,40,879	1,40,879
Other Equity	18	7,04,592	6,18,690
Equity attributable to owners		8,45,471	7,59,569
Non controlling interest		20,398	16,264
Total Equity		8,65,869	7,75,833
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	19	30,150	39,683
Provisions	20	2,272	1,443
Deferred tax liabilities (Net)	36	-	230
Other non-current liabilities	21	10,610	11,593
Total Non current Liabilities		43,032	52,949
Current liabilities			
Financial liabilities			
(ii) Trade payables	22		
- Total outstanding dues to Micro and Small Enterprises		670	240
- Total outstanding dues to others		18,944	26,495
(ii) Other financial liabilities	23	53,979	52,074
Provisions	24	2,448	2,211
Other current liabilities	25	5,399	6,623
Total current Liabilities		81,440	87,643
Total Liabilities		1,24,472	1,40,592
TOTAL EQUITY AND LIABILITIES		9,90,341	9,16,425
Significant accounting policies			

The accompanying notes are an integral part of these financial statements (1-53).

As Per our report of even date.

For Haribhakti & Co LLP

Chartered Accountants

ICAI FRN No. 103523W / W100048

Snehal Shah

Partner

Membership No. 048539

Place : Mumbai

Date : June 24, 2021

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

Shilpan Patel

Managing Director

DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Jt. Managing Director

DIN No - 00607101

Poonam Bansal

Company Secretary


CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021
 (All amounts in Indian ₹ in thousand unless otherwise stated)

Particulars	Notes	Year ended	
		March 31, 2021	March 31, 2020
INCOME			
Revenue from operations	26	5,23,962	2,20,303
Other Income	27	26,132	17,973
TOTAL INCOME		5,50,094	2,38,276
Expenses			
Cost of raw materials consumed	28	38,239	34,438
Purchase of stock-in-trade		2,14,255	93,330
Change in inventory of finished goods, work-in-progress and stock in trade	29	14,881	(4,940)
Employee benefits expense	30	62,582	72,358
Depreciation and amortisation expense	3-4	46,017	35,660
Finance Cost	31	7,582	5,887
Other expenses	32	1,10,639	1,03,049
TOTAL EXPENSES		4,94,195	3,39,782
Profit/(Loss) before exceptional items and tax (3-4)		55,899	(1,01,506)
Exceptional Items	33	-	3,220
Profit/ (Loss) before tax		55,899	(1,04,726)
Income tax expense	36		
Current Tax		2,724	4,933
Adjustment of tax relating to earlier periods (net)		-	(27)
Deferred Tax		(15,052)	(7,490)
Total tax expense		(12,328)	(2,584)
Profit/ (Loss) after tax		68,227	(1,02,142)
Other comprehensive income :			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		21,346	4,674
(ii) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations gains / (loss)		(642)	(169)
- Income tax relating to the above items		179	47
		(463)	(122)
Other comprehensive income for the year, net of tax		21,809	4,552
Total comprehensive income for the year		90,036	(97,590)
Profit/ (Loss) attributable to:			
Owners of equity		64,093	(99,647)
Non-controlling interest		4,134	(2,495)
		68,227	(1,02,142)
Total comprehensive income attributable to:			
Owners of equity		85,902	(95,095)
Non-controlling interest		4,134	(2,495)
		90,036	(97,590)
Earnings per equity share			
Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2020 : ₹ 10)]	37	4.55	(8.43)

The accompanying notes are an integral part of these financial statements (1-53).

As Per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : June 24, 2021

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

Shilpan Patel
Managing Director
DIN No - 00341068

Hitesh Punglia
Chief Financial Officer

Neil Patel
Jt. Managing Director
DIN No - 00607101

Poonam Bansal
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Operating activities		
Profit / (Loss) before tax after exceptional items	55,899	(1,04,726)
<u>Adjustment to reconcile profit before tax to net cash flows</u>		
Depreciation and amortisation	46,017	35,660
Loss by Fire (Exceptional Item)	-	3,220
Fair value gain on non-current investments	(7,517)	(2,832)
Exchange differences on translation of assets & liabilities	22,619	4,330
Provision For Doubtful Debts	(1,808)	5,653
Provision For Doubtful Advances	1,216	-
Sundry balances written back	(4,265)	583
Loss on Sale of Property, plant and equipment	504	59
Finance Cost	7,582	5,887
Net gain on sale of Long term Investments	3,045	(2,518)
Interest Income	(4,991)	(1,641)
Dividend Income	(2,579)	(2,775)
	1,15,722	(59,100)
Working capital adjustments:		
Decrease/ (Increase) in Loans and Advances	1,058	(2,230)
Decrease/ (Increase) in non-current assets	2,607	65,021
Decrease / (Increase) in trade receivables	(37,841)	38,190
Decrease/ (Increase) in current assets	(56,980)	(18,334)
Decrease/ (Increase) in Inventories	(4,404)	(3,804)
Increase/ (Decrease) in provisions	1,708	509
Increase/ (Decrease) in trade payables	(9,117)	(8,191)
Increase/ (Decrease) in other financial Liabilities	797	13,444
Increase/ (Decrease) in other Liabilities	(2,208)	12,459
Increase/ (Decrease) in other Financial Assets	1,428	1,581
	12,769	39,545
Income tax paid	(5,649)	(5,339)
Net Cash Flow from operating activities	(A)	34,206
Investing activities		
Purchase of Property, plant and equipment including CWIP	(48,369)	(1,86,843)
Maturity of mutual fund investment, net	63,925	26,330
Investments in Shares	(1,522)	-
(Investments in)/maturity of Bank deposits	1,773	(79,504)
Dividend Received	2,579	2,779
Interest Received	4,844	1,544
Net cash flows from investing activities	(B)	(2,35,694)
Financing activities:		
Proceeds from issues of shares	-	84,528
Proceeds from Long term Borrowing	-	52,131
Repayment of Long term Borrowing	(8,425)	(4,326)
Finance cost Paid	(7,582)	(5,887)
Dividend paid, including dividend tax	-	(5,841)
Net cash (used in) financing activities	(c)	1,20,605
Net Increase / (Decrease) In Cash And Cash Equivalents	(A+B+C)	(80,883)
Effect of exchange difference on Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the year	96,135	1,77,018
Cash and Cash equivalents takeover as per the scheme		
Cash and Cash equivalents at the end of the year (refer note - 13)	1,10,477	96,135



Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Components of cash and cash equivalents		
Cash and cheques on hand	227	415
Remittance in Transit		
<u>Balances with Banks</u>		
In Current Accounts	1,12,358	95,720
Restricted cash balances	175	-
Cash and Cash equivalents at the end of the year	1,12,760	96,135

Summary of significant accounting policies

Notes:

Particulars	Balance as at 01-Apr-20	Cash flows	Balance as at 31-Mar-21
Non current borrowings (including Current Maturity), refer note 19	48,174	(8,425)	39,749
Total	48,174	(8,425)	39,749

Particulars	Balance as at 01-Apr-19	Cash flows	Balance as at 31-Mar-20
Non current borrowings (including Current Maturity), refer note 19	369	47,805	48,174
Total	369	47,805	48,174

Notes:

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

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

The accompanying notes are an integral part of these financial statements (1-53).

As Per our report of even date.

For Haribhakti & Co LLP

Chartered Accountants
ICAI FRN No. 103523W / W100048

Snehal Shah

Partner
Membership No. 048539

Place : Mumbai

Date : June 24, 2021

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

Shilpan Patel

Managing Director
DIN No - 00341068

Hitesh Punglia

Chief Financial Officer

Neil Patel

Jt. Managing Director
DIN No - 00607101

Poonam Bansal

Company Secretary


CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED March 31, 2021
 (All amounts in Indian ₹ in thousand unless otherwise stated)

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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning	1,40,87,938	1,40,879	1,17,39,948	1,17,399
Changes in equity share capital during the year (Refer Note 17 (c))	-	-	23,47,990	23,480
Balance at the end	1,40,87,938	1,40,879	1,40,87,938	1,40,879

b. Other Equity

	Attributable to owners							
	Reserves and Surplus				Other Reserves			
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Currency Translation Reserve	Total other equity	Non Controlling interest	Total
Balance at March 31, 2019	29,199	8,218	200	6,28,411	(4,845)	6,61,183	16,310	6,77,493
Profit / (Loss) for the year	-	-	-	(99,647)	-	(99,647)	(2,495)	(1,02,142)
Other comprehensive income (net of tax)	-	-	-	(122)	4,674	4,552	-	4,552
Addition during the Year - Right Issue (Refer Note 17 (c))	61,048	-	-	-	-	61,048	-	61,048
Opening Balance impact of IND AS 116	-	-	-	(2,605)	-	(2,605)	-	(2,605)
Dividends	-	-	-	(5,841)	-	(5,841)	-	(5,841)
Equity Contribution by Non controlling Interest	-	-	-	-	-	-	2,450	2,450
Balance at March 31, 2020	90,247	8,218	200	5,20,196	(171)	6,18,690	16,264	6,34,955
Profit / (Loss) for the year	-	-	-	64,093	-	64,093	4,134	68,227
Other comprehensive income (net of tax)	-	-	-	463	21,346	21,809	-	21,809
Balance at March 31, 2021	90,247	8,218	200	5,84,752	21,175	7,04,592	20,398	7,24,991

The accompanying notes are an integral part of these financial statements (1-53).

As Per our report of even date.

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

Snehal Shah
 Partner
 Membership No. 048539

Place : Mumbai
 Date : June 24, 2021

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

Shilpan Patel
 Managing Director
 DIN No - 00341068

Hitesh Punglia
 Chief Financial Officer

Neil Patel
 Jt. Managing Director
 DIN No - 00607101

Poonam Bansal
 Company Secretary



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

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

1. Corporate Information

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

2. Significant Accounting Policies

A Basis of accounting and preparation of Financial Statements:

Compliance with Indian Accounting Standards (Ind AS):

These Consolidated Ind AS Financial Statements ("Consolidated Financial Statements") of the Company and its subsidiaries ("the Group"), have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These Consolidated Financial Statements were authorized for issue by the Company's Board of Directors on June 24, 2021.

Functional and Presentation Currency

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

Basis of measurement

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

Use of Estimates and Judgements

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

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

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligations (Refer note 42)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 38)
- Estimation of Tax expenses and Liability (Refer note 8 and 36)
- Useful lives of property, plant, equipment and intangibles (Refer note 3)
- Right to use (Refer note 3A)
- Impairment of financial assets such as trade receivables (Refer note 45)
- Revenue recognition

B Principles of consolidation:

i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.

ii) Non – Controlling Interest (NCI)

The non-controlling interests comprise the portion of equity of subsidiaries that are not owned, directly or indirectly, by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the Statement of Profit and Loss,



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

consolidated statement of changes in equity and balance sheet respectively.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of Control

When a Group loses control over a subsidiary, it derecognises the assets and the liabilities of the subsidiaries, and any NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost. Any resulting gain or loss is recognised in Statement of Profit and Loss.

iv) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share or profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

v) Transactions eliminated on consolidation

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

C Revenue Recognition

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

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

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

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

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

D Property, Plant and Equipment, Depreciation and Impairment:

i) Recognition and measurement:

Property, plant and equipment are measured at cost / deemed cost, less accumulated depreciation and impairment losses, if any. Cost of Property, plant and equipment comprises its purchase price, including import duties and non-



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated attributable costs of dismantling and removing the asset and restoring the site on which it is located.

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

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

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

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

ii) Depreciation:

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

iii) Intangible Assets

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

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

iv) Capital work in Progress

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

E Investment Property

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

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

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

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

F Research and Development Cost:

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

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

The amount capitalized comprise expenditure that can be directly attributed or allocated on a reasonable and consistent basis



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

to creating, producing and making the asset ready for its intended use. Capitalised product development costs are recorded as intangible assets and amortised from the useful life as estimated by the management. Property, Plant and Equipment utilized for research and development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment.

G Impairment of Assets:

i) Financial assets

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

ii) Non-financial assets

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

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

H Investments:

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

I Inventories:

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

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

J Employee benefits:

i) Short Term Obligations:

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

ii) Other long-term employee benefit obligations:

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



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

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

iii) Post – employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund and Employee State Insurance Fund (ESIC).

Defined Benefit Plans - Gratuity obligations

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

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

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

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

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

Defined contribution plan

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

K Leases (where the Group is lessee):

The Group has implemented the Ind AS 116 “Leases” as notified by the Ministry of Corporate Affairs on March 30, 2019 through the Companies (Indian Accounting Standards) Amendment Rules, 2019. Effective April 01, 2019, the group has adopted Ind AS 116 “Leases”, applied to all the lease contracts existing on April 1, 2019 using the modified retrospective method of transition. The Group's lease asset classes primarily consist of leases of land, building and equipment.

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

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

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

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

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



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

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

L Foreign Currency Transactions / Translations

i) Transactions and balances

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

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

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

ii) Foreign Operations

In case of foreign operations whose functional currency is different from the parent company's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the monthly average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income/ (loss) and presented within equity as part of FCTR. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is reclassified to the Statement of Profit and Loss as a part of gain or loss on disposal.

M Income Tax

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

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

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

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

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



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

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

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

N Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group;

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing:

- the net profit or loss after tax for the year attributable to owners of the Group, and

- the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

O Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

P Contingent Liabilities

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

Q Cash and cash equivalents

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

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

Cash Flows

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

R Dividend

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

S Derivatives and hedging activities

The Group holds derivative financial instruments such as forward contracts to mitigate risk of changes in exchange and



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

interest rates. The counterparty for these contracts is generally banks.

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

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

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

(ii) Derivatives that are not designated as hedges

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

T Financial instruments

a. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

b. Financial assets

Initial recognition and measurement

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

Classification and subsequent measurement

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

i) Financial assets amortised at cost

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

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through profit or loss

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

Equity investments

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

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

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

Derecognition

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

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

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVTPL) are recognised in the Statement of Profit and Loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

U Current–non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.

Liabilities

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

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



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

its classification.

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

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

V Operating cycle

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

VI Segment Reporting

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

Segment revenue includes income directly identifiable with the segments.

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

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

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

Recent Accounting Developments

The Ministry of Corporate Affairs ("MCA") vide notification dated March 24, 2021 amended the Schedule III of the Companies Act, 2013. The amendments related to Division I, II and III of Schedule III and are applicable starting April 01, 2021. Key amendments relating to Division II which related to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters. Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The said amendments will be given effect by the Company for period starting April 01, 2021.



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

3 Tangible and intangible assets

	Gross carrying amount			Accumulated depreciation / amortisation			Net block					
	Carrying amount as at April 01, 2020	Additions during the year	Disposal / Adjustments during the year	Translation adjustments	As at March 31, 2021	Up to April 01, 2020	Charge for the year	Disposal / Adjustments during the year	Translation adjustments	Up to March 31, 2021	As At March 31, 2020	As At March 31, 2021
A Property, plant and equipment												
Leasehold Land	3,117	-	-	-	3,117	133	36	-	-	169	2,984	2,948
Building (Refer note 1)	1,26,073	220	-	8,128	1,34,421	16,790	4,674	-	-	21,464	1,09,283	1,12,957
Plant and Equipment	2,11,605	24,809	(10,708)	-	2,25,705	83,317	29,401	(3,107)	-	1,09,611	1,28,288	1,16,095
Furniture and Fixtures	3,528	294	-	-	3,823	2,459	797	-	-	3,256	1,069	566
Electrical Installation	5,358	467	-	-	5,825	1,788	984	-	-	2,773	3,569	3,052
Motor Car	3,797	-	(641)	-	3,156	2,800	282	(541)	-	2,540	997	616
Office Equipment	4,313	727	-	-	5,041	2,602	831	-	-	3,432	1,711	1,608
Computer	4,438	1,090	-	3	5,530	3,714	524	-	-	4,238	723	1,292
Office Building	229	-	-	-	229	20	16	-	-	36	209	193
Total A	3,62,457	27,607	(11,349)	8,131	3,86,846	1,13,622	37,544	(3,648)	-	1,47,518	2,48,832	2,39,328
B Capital work-in-progress												
Patent rights	89,143	19,630	-	-	1,08,773	-	-	-	-	-	89,143	1,08,773
Total B	89,143	19,630	-	-	1,08,773	-	-	-	-	-	89,143	1,08,773
C Intangible assets												
Patent rights	21,422	-	-	-	21,422	7,999	4,589	-	-	12,588	13,423	8,834
Total C	21,422	-	-	-	21,422	7,999	4,589	-	-	12,588	13,423	8,834
D Intangible assets under development												
Patent rights	3,421	247	-	26	3,695	-	-	-	-	-	3,421	3,695
Product Development	4,293	71	-	-	4,363	-	-	-	-	-	4,293	4,363
Software development	645	-	(645)	-	-	-	-	-	-	-	645	-
Total D	8,359	318	(645)	26	8,058	-	-	-	-	-	8,359	8,058
Total (A+B+C+D)	4,81,382	47,555	(11,994)	8,158	5,25,099	1,21,621	42,133	(3,648)	-	1,60,106	3,59,758	3,64,993

Note : (1) Building having gross value of ₹.134 (P.Y. ₹. 134) is pending for registration in the name of the Holding Company. Management is of the opinion that the building will be transferred in the name of the Holding Company in due course.

(2) Assets Disposal during the year include assets write off (Plant and Equipment ₹ 3,223) (P.Y. Nil)

(3) Details of property, plant & equipment hypothecated: Hypothecation of fixed assets acquired by availment of borrowing(Refer note 19)



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

3 Tangible and intangible assets

	Gross carrying amount				Accumulated depreciation / amortisation				Net block			
	Carrying Amount as at April 01, 2019	Additions during the year	Disposal during the year	Translation adjustments	As at March 31, 2020	Up to April 01, 2018	Charge for the year	Disposal during the year	Translation adjustments	Up to March 31, 2020	As At April 01, 2019	As At March 31, 2020
A Property, plant and equipment												
Leasehold Land	3,117	-	-	-	3,117	97	36	-	-	133	3,020	2,984
Building (Refer note 1)	1,34,000	3,975	(14,610)	2,708	1,26,073	12,271	4,519	-	-	16,790	1,21,729	1,09,283
Plant and Equipment	1,39,195	86,664	(14,255)	-	2,11,605	62,545	20,695	77	-	83,317	76,650	1,28,288
Furniture and Fixtures	4,882	558	(1,911)	-	3,528	1,574	885	-	-	2,459	3,308	1,069
Electrical Installation	2,973	2,385	-	-	5,358	1,265	523	-	-	1,788	1,708	3,569
Motor Car	3,888	-	(91)	-	3,797	2,373	427	-	-	2,800	1,515	997
Office Equipment	3,717	596	-	-	4,313	1,782	820	-	-	2,602	1,935	1,711
Computer	4,276	160	-	1	4,438	3,081	633	-	-	3,714	1,196	723
Office Building	45	184	-	-	229	6	14	-	-	20	39	209
Total A	2,96,094	94,521	(30,867)	2,709	3,62,457	84,994	28,551	77	-	1,13,622	2,11,100	2,48,832
B Capital work-in-progress												
	14,441	1,59,077	(84,375)	-	89,143	-	-	-	-	-	14,441	89,143
Total B	14,441	1,59,077	(84,375)	-	89,143	-	-	-	-	-	14,441	89,143
C Intangible assets												
Patent rights	21,422	-	-	-	21,422	5,671	2,328	-	-	7,999	15,751	13,423
Total C	21,422	-	-	-	21,422	5,671	2,328	-	-	7,999	15,751	13,423
D Intangible assets under development												
Patent rights	4,762	338	(1,679)	-	3,421	-	-	-	-	-	4,762	3,421
Product Development	3,893	400	-	-	4,293	-	-	-	-	-	3,893	4,293
Software development	1,096	-	(451)	-	645	-	-	-	-	-	1,096	645
Total D	9,751	737	(2,129)	-	8,359	-	-	-	-	-	9,751	8,359
Total (A+B+C+D)	3,41,708	2,54,335	(1,17,371)	2,709	4,81,382	90,665	30,879	77	-	1,21,621	2,51,043	3,59,758

Note : (1) Building having gross value of ₹ 134 (P.Y. ₹. 134) is pending for registration in the name of the Holding Company. Management is of the opinion that the building will be transferred in the name of the Holding Company in due course.

(2) Assets Disposal during the year at holding company's factory include assets destroyed by fire (Factory Building ₹ 14,610, Plant and Equipment ₹ 13,818, Furniture and Fixtures ₹ 1,911).


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

3A Right to use
(i) Amounts to be recognised in balance sheet as on March 31, 2021

The balance sheet shows the following amounts relating to leases :

Right to use assets	March 31, 2021	March 31, 2020
Lease hold land/building	9,931	13,252
Total	9,931	13,252

Lease liabilities	March 31, 2021	March 31, 2020
Current	1,998	4,201
Non - Current	10,610	11,593
Total	12,608	15,794

(ii) Amounts to be recognised in Consolidated Statement of Profit and Loss for the year ended March 31, 2021

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

Depreciation	March 31, 2021	March 31, 2020
Lease hold land/building	3,817	4,704
Total	3,817	4,704

Interest expenses on lease liabilities (included in finance cost) Rs. 1,678 (March 31, 2020 : Rs. 2,274)

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

Particulars	March 31, 2021	March 31, 2020
Operating cash flows : Interest expenses	1,678	2,274
Total	1,678	2,274



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

4 Investment Property

	Gross carrying amount			Accumulated depreciation / amortisation			Carrying amount					
	Carrying amount as at April 01, 2020	Additions during the year	Disposal during the year	Translation Adjustments	As at March 31, 2021	Up to April 01, 2020	Charge for the year	Disposal during the year	Translation Adjustments	Up to March 31, 2021	As At April 1, 2020	As At March 31, 2021
Guest House	1,651	-	-	-	1,651	299	66	-	-	365	1,352	1,286
Total	1,651	-	-	-	1,651	299	66	-	-	365	1,352	1,286
	Gross carrying amount			Accumulated depreciation / amortisation			Carrying amount					
	Carrying amount as at April 01, 2019	Additions during the year	Deletion during the year	Translation Adjustments	As at March 31, 2020	Up to April 01, 2019	Charge for the year	Disposal during the year	Translation Adjustments	Up to March 31, 2020	As At April 1, 2019	As At March 31, 2020
Guest House	1,651	-	-	-	1,651	230	69	-	-	299	1,421	1,352
Total	1,651	-	-	-	1,651	230	69	-	-	299	1,421	1,352

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

	As at March 31, 2021	As at March 31, 2020
Depreciation	66	69
Profit / (loss) from investment property	(66)	(69)
(ii) Fair value		
Investment property #	2,555	2,555

Estimation of Fair value

Holding Company has carried out the fair valuation of property involving external independent valuation expert. As per the fair valuation report dated 21st May 2018 the fair value of investment property as on March 31, 2018 is Rs. 2,555(000). The valuation model has considered various inputs like cost, location, market appreciation, etc.


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

5 Investments

	As at			
	March 31, 2021		March 31, 2020	
	Nos.	Amount	Nos.	Amount
<u>Investment in Equity instruments of Associates (Unquoted) (Fully paid up) (Trade)</u>				
Equity shares of SPArrow Bio-Polymer Products (P) Ltd of face value ₹ 10 each (46% holding)	4,600	-	4,600	-
Equity shares of Sphere Bio-Polymers (P) Ltd of face value ₹ 10 each (49% holding)	4,900	-	4,900	-
Investments				
<u>in Equity Instruments (Unquoted), (Fully Paid). Non-Trade, at amortized cost</u>				
Shamrao Vithal Co- operative Bank		9		9
<u>in Equity Instruments (Unquoted), (Fully Paid). Non-Trade, at Fair value through Profit or Loss</u>				
Equity Shares of ₹. 25/- each	300		300	
Equity Shares of ₹. 10/- each	100		100	
Investment in Shares - Aquasam		1,522		-
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		85,575		1,45,028
		87,106		1,45,037
Aggregate amount of quoted investments and market value thereof		85,575		1,45,028
Aggregate amount of unquoted investments		1,531		9
Aggregate amount of impairment in the value of investments		-		-

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

	As at			
	March 31, 2021		March 31, 2020	
	Units	Amount	Units	Amount
HDFC Corp Debt Opportunities Fund-Regular *	-	-	26,87,329	44,734
HDFC Liquid Fund- Regular Plan - Growth	11,285	45,340	-	-
ICICI Prudential Savings Fund - Daily Dividend	96,341	10,181	4,99,901	52,857
ICICI Prudential Equity Arbitrage Fund-Dividend	1,45,397	2,022	1,45,397	1,988
Stallion Total Return Fund	-	-	28,249	20,459
GLMSF Fund Class A8	231	28,032	231	24,990
		85,575		1,45,028

* Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2019-20.


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
6 Loans		
<u>Unsecured, considered good</u>		
Security deposits - others	3,326	4,584
Loans to Employees	203	272
	3,529	4,856
7 Other financial asset		
Fixed deposits with Bank (maturity more than 12 months) *	1,690	903
Security Deposit(Unsecured, considered good)	1,431	761
	3,121	1,664
*Held as lien by bank against bank guarantee/Security Deposit of Mar 31, 2021 ₹ 1690; Mar 31,2020 ₹ 903		
8 Income tax assets (Net)		
Advance Income Tax		
(Net of Provision for Taxation of Mar 31, 2021 ₹ 73,077; Mar 31,2020 ₹ 70,353)	15,302	12,376
	15,302	12,376
9 Other non - current assets		
<u>Unsecured, considered good</u>		
Capital advances	5,969	2,113
Insurance Claim Receivable (Refer Note 33)	61,174	61,174
Prepaid expenses	121	84
	67,264	63,372
10 Inventories		
<u>Raw materials and components:</u>		
Polyvinyl Alcohol	9,937	3,226
Chemicals	590	604
Others	12,213	1,711
Total	22,740	5,540
<u>Work in progress:</u>		
Water Soluble Films	1,371	4,789
<u>Finished goods:</u>		
Water Soluble Films	4,640	5,661
Other Stock in transit	742	1,659
<u>Stock in trade</u>		
Cleaning products	166	1,551
Bioplast	5,772	3,909
Other (Including PVA)	-	10,001
Stores and spares	2,137	52
	37,567	33,163


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
11 Trade Receivables		
<u>Unsecured</u>		
Dues from trade receivables considered good	69,710	33,456
Dues from trade receivables considered doubtful	8,025	7,550
Less: Allowance for doubtful debts	(8,025)	(7,550)
	69,710	33,456
Note: Trade receivable are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts.		
No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Nor any trade or other receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.		
12 Cash and cash equivalents		
<u>Balance with bank:</u>		
On current accounts	1,12,358	95,720
Deposits with original maturity of less than 3 months	175	-
Cash on hand	227	415
	1,12,760	96,135
13 Bank balances other than cash and cash equivalents		
Unclaimed Dividend Account	4,216	4,384
Right Issue - Escrow Account	-	1,028
Employer Gratuity Account	37	413
Deposits with maturity of more than 3 months but less than 12 months**	84,586	85,574
	88,839	91,399
**Held as lien by bank against bank guarantee and letter of credit of Mar 31, 2021 ₹ 63,427 , Mar 31, 2020 ₹ 25,171		
14 Loans		
<u>Unsecured, considered good</u>		
Security deposits - Others	165	73
Loan to Other considered doubtful	2,283	2,106
Less: Allowance for doubtful Advances	(2,283)	-
	165	2,179
15 Other financial assets		
<u>Unsecured, considered good</u>		
Interest accrued on deposits with bank	416	269
Margin Money with others	-	1,428
Export benefit receivable	153	153
	569	1,850


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
16 Other current assets		
<u>Unsecured, considered good unless stated otherwise</u>		
Advance to suppliers		
Considered Good	33,946	2,427
Considered Doubtful	1,715	2,782
Less Provision for Doubtful Advance	(1,715)	(2,782)
	33,946	2,427
Prepaid expenses	1,474	752
Advance to employees	383	1,261
Balance with Government authorities	73,929	51,682
Less: GST on material consumed by fire (Refer Note 33)	-	(3,369)
	1,09,732	52,752

17 Equity share capital
a) Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
<u>Authorised share capital</u>				
Equity shares of ₹. 10 each	1,50,00,000	1,50,000	1,50,00,000	1,50,000
<u>Issued, Subscribed and Paid Up :</u>				
Equity shares of ₹. 10 each fully paid	1,40,87,938	1,40,879	1,40,87,938	1,40,879

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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,40,87,938	1,40,879	1,17,39,948	1,17,399
Add: Right issue share issued during the year (Refer Note 17 (c)) below)	-	-	23,47,990	23,480
Outstanding at the end of the year	1,40,87,938	1,40,879	1,40,87,938	1,40,879

c) Terms /Rights attached to Equity shares

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

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

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


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

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

Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Pvt Ltd	9,96,014	7%	11,96,014	8%
Jigisha S. Patel	18,22,205	13%	18,22,205	13%
Shilpan P. Patel	49,66,346	35%	49,66,346	35%
Shilpan Patel (HUF)	10,29,180	7%	10,79,180	8%
	88,13,745	63%	90,63,745	64%

		As at	
		March 31, 2021	March 31, 2020
18 Other Equity			
General Reserve	18 (i)	200	200
Capital reserve	18 (ii)	8,218	8,218
Securities premium reserve	18 (iii)	90,247	90,247
Retained earnings	18 (iv)	5,84,752	5,20,196
Foreign currency translation reserve	18 (v)	21,175	(171)
		7,04,592	6,18,690
18 (i) Reserves and surplus			
General reserve			
Balance at the beginning of the year		200	200
Movement during the year		-	-
Balance at the end of the year		200	200
18 (ii) Capital reserve			
Balance at the beginning of the year		8,218	8,218
Movement during the year		-	-
Balance at the end of the year		8,218	8,218
18 (iii) Securities premium reserve			
Balance at the beginning of the year		90,247	29,199
Movement during the year		-	61,048
Balance at the end of the year		90,247	90,247
18 (iv) Retained earnings			
Opening Balance at the beginning of the year		5,20,196	6,28,411
Add : Profit/ (Loss) for the year		64,093	(99,647)
Opening Balance impact of IND AS 116 (Refer Note 3 (A))		-	(2,605)
Less : Dividend paid		-	(5,841)
Items that will not be reclassified to profit or loss :			
- Remesurement of defined benefit obligation		642	(169)
- Income tax relating to above item		(179)	47
Balance as at the year end		5,84,752	5,20,196
18 (v) Other Comprehensive Income			
<u>Foreign Currency Translation Reserve</u>			
Opening balance		(171)	(4,845)
Add: for the year		21,346	4,674
Balance as at the year end		21,175	(171)
		7,04,592	6,18,690


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

Note
Nature of reserves
a) General Reserve

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

b) Capital Reserve

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

c) Securities Premium

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

d) Retained Earnings

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

	As at	
	March 31, 2021	March 31, 2020
19 Borrowings		
<u>Loan from Others (Secured)</u>		
Term Loan (Secured)	39,749	48,174
Less: Current Maturities	(9,599)	(8,491)
	30,150	39,683
Loan from a Non banking financial company of Rs. 39,749 (March 31, 2020 : Rs. 48,174) carries interest @ 12.50% p.a. The loans are repayable in 60 monthly instalments along with interest starting from October 2019. The loan is secured by hypothecation of property, plant and equipments acquired		
20 Provisions		
Provision for employee benefits		
- Leave encashment (un funded) (Refer note 42)	2,272	1,443
	2,272	1,443
21 Other non-current liabilities		
Lease Rent Liability (Refer Note 3A)	10,610	11,593
	10,610	11,593
22 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 41)	670	240
Total outstanding dues to others	18,944	26,495
	19,614	26,735


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
23 Other financial liabilities		
Current Maturities of Borrowing (Refer Note 19)	9,599	8,491
Interest Accrued but not due	81	98
Current Maturities of Lease Rent (Refer Note 3A)	1,998	4,201
Unclaimed Dividend ^	4,216	4,381
Employee Benefits Payable	8,726	3,066
Outstanding liability for expenses	12,232	10,231
Trade payable for capital goods (other than small and medium enterprises)	17,127	20,138
Derivative Liability	-	1,468
	53,979	52,074
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
24 Provisions		
Provision for employee benefits		
- Gratuity (funded) (Refer Note 42)	1,553	1,637
- Leave encashment (un funded) (Refer Note 42)	895	574
	2,448	2,211
25 Other current liabilities		
Statutory Dues Payable	4,850	2,421
Advances from customer	549	4,202
	5,399	6,623


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
26 Revenue from operations		
<u>Sale of products (net of sales return)</u>		
Finished goods	1,64,517	1,19,356
Traded goods	3,29,220	93,997
<u>Services rendered</u>		
Royalty Income - Patent	-	3,653
Consulting Income	29,396	3,285
<u>Other Operating Revenue</u>		
Sale of scrap	829	12
Revenue from Operations	5,23,962	2,20,303
Detail of Sale of Products / Services		
<u>Finished goods sold</u>		
Water Soluble Films	1,34,533	1,11,340
Other Business	29,984	8,016
	1,64,517	1,19,357
<u>Traded goods sold</u>		
Cleaning Products	2,085	1,608
Other Business	3,25,608	90,165
Water Soluble films	1,527	2,225
	3,29,220	93,997
27 Other Income		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	2,579	2,775
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	4,604	971
On Loans and Deposits	269	362
On Others	118	308
Foreign Exchange Gain (net)	-	3,177
Net Gain on Sale of non-current Investments in Mutual Fund	-	2,518
Bad Debt Recovered	-	1,867
Miscellaneous Income	488	855
Sundry Balances Write Back	6,102	-
Provision For Advances written Back	1,067	-
Net Gain on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through profit or loss	7,517	2,832
Rent Income	3,388	2,308
	26,132	17,973


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
28 Cost of raw materials consumed		
Inventory at the beginning of the year	5,540	12,248
Add: Purchases	55,439	30,303
Less: Inventory at the end of the year	22,740	5,540
Less: Material consumed By fire (Refer Note 33)	-	2,573
	38,239	34,438
29 Change in inventory of finished goods, work-in-progress and stock in trade		
<u>Inventories at the end of the year</u>		
Stock In Trade	5,938	15,461
Work-in-progress	1,371	4,789
Finished goods	5,380	7,320
<u>Inventories at the beginning of the year</u>		
Stock In Trade	15,461	21,398
Work-in-progress	4,789	11,821
Finished goods	7,320	13,008
	14,881	18,657
Less: Finished goods consumed By fire (Refer Note 33)	-	23,597
	14,881	(4,940)
30 Employee benefits expense		
Salary, Wages and Bonus	57,331	67,480
Contribution to Provident and other funds (Refer note - 42)	1,440	1,778
Gratuity and Leave Encashment (Refer note - 42)	2,417	1,483
Staff welfare expenses	1,394	1,617
	62,582	72,358
31 Finance Cost		
Interest on Secured Loan	5,576	3,279
Processing and Other Charges	166	55
Interest on Lease	1,678	2,274
Others	162	279
	7,582	5,887


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
32 Other expenses		
Consumption of stores and spares	5,457	2,142
Repair and Maintenance - Building	132	200
Repair and Maintenance - Machinery	1,427	1,286
Repair and Maintenance - Other	1,722	524
Rent (Refer Note 39)	427	1,387
Insurance	3,303	1,136
Power and Fuel	26,813	21,454
Labour Charges	4,279	4,997
Factory Expenses	2,614	2,055
Selling and Promotion Expenses	264	1,195
Commission on Sales	3,267	-
Freight and Forwarding	11,239	5,940
Lease Rent and Hire Charges (Refer Note 39)	-	2,420
Postage and Telephone Expenses	871	1,066
Printing and Stationery	469	532
Travelling and Conveyance	4,075	11,079
Legal and Professional Charges	12,162	14,131
Patent Development Expenses Written off	-	1,678
Patent Charges	4,799	2,981
Right Issue Expenses	-	2,437
Research and Development Expenses	275	530
Loss on Sale / Write-off of Fixed Assets (net)	504	59
Provision For Advances	2,283	583
Provision For Doubtful debts	475	5,653
Payment to Auditors (Exclusive of Goods and Services tax) (Refer Note 34)	2,809	2,750
Corporate Social Responsibility Expense - Holding Company (Refer Note 35)	1,250	750
Loss on fair value of Investment	-	3,338
Sundry Balances written off	1,837	-
Bank Charges	592	718
Loss on Forward Contract	-	10
Foreign Exchange Loss (Net)	4,653	-
Net Loss on Sale of non-current Investments in Mutual Fund	3,045	-
Other Misc Expenses	9,596	10,017
	1,10,639	1,03,049


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
33 Exceptional Items		
Loss by Fire*	-	3,220
	-	3,220
<p>* There was incidence of fire at one of the unit in factory of the Holding Company located at Ankleshwar on October 30, 2019 in which certain tangible assets and inventories were damaged and destroyed. The Holding Company has taken adequate insurance cover for tangible assets and inventories destroyed by fire. The Holding Company has filed its insurance claim and does not expect significant impact on the Financials. Pending finalisation of insurance claim, the Holding Company has written off inventories (including goods and service tax credit on inventories of Rs. 3,369 thousand) and written down value of tangible property, plant and equipment of Rs. 29,539 thousand and Rs. 34,856 thousand respectively and also recognised insurance claim of Rs. 61,174 thousand and net impact of Rs. 3,220 thousand as exceptional item in March 31, 2020.</p>		
34 Payment to Auditors (Exclusive of Goods and Services tax)		
As auditor		
Auditors Remuneration	2,179	2,085
Tax audit fees	200	200
Limited review fees	345	300
<u>Other Capacity</u>		
Other services (Certification fees)	85	165
	2,809	2,750
35 Corporate Social Responsibility Expense - Holding Company		
<u>Gross amount required to be spent by the group during the year</u>		
Corporate Social Responsibility Expense	1,255	1,234
<u>Amount spent during the year (paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	1,250	750
<u>Amount spent during the year (yet to paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
<u>Amount Unspent</u>	5	484
	1,255	1,234


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	Year ended	
	March 31, 2021	March 31, 2020
36 Income taxes		
a. Income tax expense is as follows:		
Statement of Profit and Loss		
Current tax:		
Tax for the year	2,724	4,933
Adjustments for current tax of prior periods	-	(234)
Total current tax expense	2,724	4,699
Deferred tax:		
Deferred tax expenses	(15,052)	(7,283)
Total deferred tax expense	(15,052)	(7,283)
Income tax expense	(12,328)	(2,584)
Other comprehensive income		
Deferred tax related to OCI items:		
Net loss / (gain) on remeasurements of defined benefit plans	179	47
	179	47

b. Reconciliation of effective tax rate

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

	Year ended			
	March 31, 2021		March 31, 2020	
Profit before tax		55,899		(1,01,506)
Tax at the Indian tax rate	28.84%	16,121	28.84%	(29,274)
Tax effects on amounts which are not deductible (taxable) in calculating taxable income				
Tax effect of:				
Differences in tax rates in respect of dividend from foreign subsidiary & Short term capital gain	0.00%	-	-1.52%	1,541
Non-deductible expenses (Net)	0.34%	190	2.37%	(2,401)
Exempt income	-0.99%	(554)	0.77%	(779)
Prior Year Adjustments		-	0.23%	(234)
Others	-21.40%	(11,964)	0.70%	(711)
	-22.05%	(12,328)	2.55%	(2,584)


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

c. Deferred Tax Liabilities (net)
(i) Movement in deferred tax liabilities for the year ended March 31, 2021

	Net balance March 31, 2020	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2021
Deferred tax on:				
Property, plant and equipment	4,993	(3,411)	-	1,583
Fair valuation of investments in mutual fund	(3,310)	3,700	-	(390)
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	3,651	(7,670)	179	3,661
Brought Forward Losses	(4,124)	(7,397)	-	11,521
Others	(1,604)	(2,583)	-	(4,203)
MAT Credit	3,988	2,308	-	6,296
	3,594	(15,052)	179	18,467

(ii) Movement in deferred tax liabilities for the year ended March 31, 2020

	Net balance March 31, 2019	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2020
Deferred tax on:				
Property, plant and equipment	(3,408)	8,401	-	4,993
Fair valuation of investments in mutual fund	(2,806)	(504)	-	(3,310)
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	2,825	779	47	3,651
Brought Forward Losses	-	(4,124)	-	(4,124)
Others	(347)	(1,257)	-	(1,604)
MAT Credit	-	3,988	-	3,988
	(3,736)	7,283	47	3,594

	For the year ended	
	March 31, 2021	March 31, 2020
37 Earnings Per Share		
Calculation of basic and diluted Earnings per share is as follows:		
Profit for the year attributable to Owners of the Company	64,093	(99,647)
Weighted average number of equity shares		
- Basic	1,40,87,938	1,18,23,575
- Diluted	1,40,87,938	1,18,23,575
Earnings per share (in ₹)		
- Basic	4.55	(8.43)
- Diluted	4.55	(8.43)


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

	As at	
	March 31, 2021	March 31, 2020
38 Contingent liabilities and Commitments		
<u>Contingent Liabilities</u>		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 349 (March 31, 2020: ₹ 349)	23,009	23,009
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 1,304 (March 31, 2020: ₹ 1,304)	62,321	62,321
(c) Bank Guarantees given	15,938	14,400
	1,01,268	99,730

	As at	
	March 31, 2021	March 31, 2020
39 Leases		
Lease rent expenses for the year *	427	3,807

*Lease Rent Expenses for March 31, 2021 include Rent on Machinery and Amortization of expenses of Nil (PY ₹ 2,420)

40 Segment reporting
Basis of Segmentation :
Factors used to identify the reportable segments:

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

Reportable segment	Operation
Green Products	Water Soluble Films, Bio-Compostable Products and other Green Products
Hightech Products	Anti-Counterfeit Products, IPRs and other Hightech Products.

Operating segment disclosures are consistent with the information provided to and reviewed by the Chief operating decision maker.


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

The measurement principles of segment are consistent with those used in significant Accounting policies.

S.No.	As at	
	March 31, 2021	March 31, 2020
I Segment Revenue		
Green Products	1,85,146	2,05,348
Hightech Products	3,38,816	14,955
Total Segment Revenue	5,23,962	2,20,303
II Segment Result		
Green Products	8,567	(9,035)
Hightech Products	98,090	(21,047)
Total Segment Result	1,06,657	(30,082)
Unallocated corporate income net of unallocated expenses	(50,758)	(71,423)
Profit/(Loss) before interest and taxation	55,899	(1,01,506)
Profit/(Loss) before exceptional items and share of loss	55,899	(1,01,506)
Share in Profit/(Loss) in Associates	-	-
Profit/(Loss) before exceptional items and tax	55,899	(1,01,506)
Exceptional items	-	3,220
Profit/(Loss) before tax	55,899	(1,04,726)
Current Tax	2,724	4,933
Adjustment of tax relating to earlier periods (net)	-	(27)
Deferred Tax	(15,052)	(7,490)
Profit/(Loss) after tax	68,227	(1,02,142)
Other Comprehensive Income	21,809	4,552
Net Comprehensive Income	90,036	(97,590)
III Segment Assets		
Green Products	1,58,420	1,80,134
Hightech Products	3,12,689	2,13,822
Total Segment Assets	4,71,109	3,93,956
Unallocated Corporate Assets	5,19,232	5,22,469
Total Assets	9,90,341	9,16,425
IV Segment Liabilities		
Green Products	18,565	40,967
Hightech Products	62,940	58,375
Total Segment Liabilities	81,505	99,342
Unallocated Corporate Liabilities	42,967	41,250
Total Liabilities	1,24,472	1,40,592
V Capital Employed		
Green Products	1,39,855	1,39,167
Hightech Products	2,49,749	1,55,447
Unallocated	4,76,265	4,81,219
Total Capital Employed	8,65,869	7,75,833



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

41 Micro, Small and Medium Enterprises

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

	As at	
	March 31, 2021	March 31, 2020
Principal amount remaining unpaid at the end of the year	601	206
Interest due thereon	69	34
Interest remaining accrued and unpaid at the end of the year	69	34
Total Interest accrued and remained unpaid at year end	69	34

42 Employee benefit obligations of holding company

i) Defined Contribution Plans

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

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

	Year ended	
	March 31, 2021	March 31, 2020
Employer's Contribution to Provident Fund	1,205	1,515
Employer's Contribution to Employees State Insurance Corporation	235	263

ii) Defined Benefits Plans

Gratuity: The Holding Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”) covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. The Holding Company’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The fair value of the plan assets of the trust administered by the Holding Company, is deducted from the gross obligation.

The following table sets forth the status of the gratuity plan of the Holding Company, and the amounts recognized in the Balance sheet and Statement of profit and loss.

Funding :

The Holding Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the LIC, a funded defined benefit plan for qualifying employees

Reconciliation of the net defined benefit obligation:

	Year ended	
	March 31, 2021	March 31, 2020
Opening defined benefit obligation	7,117	6,429
Benefits paid	(79)	(104)
Benefit Paid Directly by the Employer	(413)	-
Current service cost	541	585
Interest cost	487	500
Actuarial losses / (gain) recognized in other comprehensive income		
changes in financial assumptions	10	393
experience adjustments	(303)	(686)
	7,360	7,117


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

Closing defined benefit obligation

Reconciliation of the fair value of plan assets:

	Year ended	
	March 31, 2021	March 31, 2020
Opening fair value of plan assets	5,480	5,679
Interest Income	375	441
Employer contributions	94	(413)
Benefits paid	(79)	(104)
Actuarial gains on Plan Assets	(64)	(125)
Closing fair value of plan assets	5,807	5,480

Balance sheet reconciliation

	As at	
	March 31, 2021	March 31, 2020
Opening defined benefit obligation	7,117	6,429
Opening fair value of plan assets	(5,480)	(5,679)
Expenses recognised in profit and loss	652	643
Expenses recognised in Other Comprehensive Income	(642)	(169)
Employer contributions	(94)	413
Net (Asset) / Liability recognised in the Balance Sheet	1,553	1,637

Expenses recognised in profit and loss:

	Year ended	
	March 31, 2021	March 31, 2020
Current service cost	541	585
Interest cost	112	58
	652	643

Remeasurements recognised in other comprehensive income

	Year ended	
	March 31, 2021	March 31, 2020
Actuarial (gain) loss on defined benefit obligation	(706)	(294)
Return on plan assets excluding interest income	64	125
	(642)	(169)

Analysis of plan assets

	As at	
	March 31, 2021	March 31, 2020
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	100%	100%


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

Maturity profile of defined benefit obligation

	As at	
	March 31, 2021	March 31, 2020
1 Year	2,222	2,601
2 to 5 years	1,151	988
6 to 10 years	3,556	3,075
More than 10 years	6,635	6,286

Actuarial assumption

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

	As at	
	March 31, 2021	March 31, 2020
Discount Rate (p.a.)	6.82%	6.84%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected rate of return on assets	6.82%	6.84%
Employee turnover	Service<5-10%	Service<5-10%
Mortality rate during employment	Service>=5-3% Indian Assured Lives Mortality (2006-08)	Service>=5-3% Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA

Notes :

Salary escalation rate: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below;

	Year ended	
	March 31, 2021	March 31, 2020
Projected Benefit Obligation on Current Assumptions	7,360	7,117
Discount Rate: 1% increase	(459)	(420)
Discount Rate: 1% decrease	532	489
Future salary growth: 1% increase	366	322
Future salary growth: 1% decrease	(321)	(281)
Change in Rate of Employee Turnover : 1% Increase	147	140
Change in Rate of Employee Turnover : 1% Decrease	(166)	(160)


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

iii) Compensated absences

The Group accrues for the compensated absences, a long term employee benefit plan based on the entire available leave balance standing to the credit of the employees at year end. The value of such leave balance eligible for carry forward, is determined by actuarial valuation as at the Balance sheet date and is charged to Statement of profit and loss in the period determined. The provision as at balance sheet dates are as follows:

	As at	
	March 31, 2021	March 31, 2020
Compensated absences liability	3,167	2,017

Actuarial assumption

	As at	
	March 31, 2021	March 31, 2020
Discount rate	6.82%	6.84%
Long-term rate of compensation increase	5.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 1,765 (PY ₹ 840)

43 Related party disclosures
a) Related parties and their relations

Name of Related Party	Relationship
SP Arrow Bio Polymer Products Private Limited Sphere Bio Polymer Private Limited	Associate Company
Mr. Shilpan P. Patel - Managing Director Mr. Neil Patel - Joint Managing Director Mr. Hitesh Punglia - Chief Financial Officer Mrs. Poonam Bansal - Company Secretary	Key Management Personnel (KMP)
Mrs. Jigisha S Patel* Mrs. Manisha Sindhi*	Relative of key management personnel
Aquavista Limited Arrow Convertors Private Limited Soluble System Private Ltd.	Enterprises over which Key Management Personnel are able to exercise significant influence


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

b) Transaction with Related Parties & Outstanding Balance as on March 31, 2021 and March 31, 2020:

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Mr. Shilpan P. Patel				
Rent Expenses	540	1,080	(112)	(538)
Arrow Convertors Private Limited				
Rent Expenses	270	540	-	-
Aquavista Limited				
Consultancy services received	-	45	-	-
Investment in Shares (Non Quoted) of Aquasam Limited	1,522	-	1,522	-
Soluble System Private Ltd.				
Sale of Cleaning Product	660	1,395	95	17
Remuneration to Key Managerial Personnel & Relatives				
Mr. Shilpan P. Patel - Managing Director	5,725	6,831	-	-
Mr. Neil Patel - Joint Managing Director	7,500	7,500	-	-
Mr. Hitesh Punglia - Chief Financial Officer	5,186	4,941	-	-
Mrs. Poonam Bansal - Company Secretary	982	981	-	-
Mrs. Jigisha S Patel*	-	621	-	-
Mrs. Manisha Sindhi*	-	767	-	-

*Mrs. Jigisha S Patel and Mrs. Manisha Sindhi, both has been resigned on date 31st January 2020.

44 Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

A	As at March 31, 2021	Carrying value			Fair value			
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets								
	Investments	9	87,097	-	87,106	87,097	-	-
	Loans	3,529	-	-	3,529	-	-	-
	Other financial asset	3,121	-	-	3,121	-	-	-
		6,659	87,097	-	93,756	87,097	-	-
Current Financial assets								
	Trade Receivables	69,710	-	-	69,710	-	-	-
	Cash and cash equivalents	1,12,760	-	-	1,12,760	-	-	-
	Bank balances other than Cash and cash equivalents	88,839	-	-	88,839	-	-	-
	Loans	165	-	-	165	-	-	-
	Other financial assets	569	-	-	569	-	-	-
		2,72,043	-	-	2,72,043	-	-	-
Total		2,78,702	87,097	-	3,65,799	87,097	-	-
Non Current Financial liabilities								
	Borrowings	30,150	-	-	30,150	-	-	-
Total		30,150	-	-	30,150	-	-	-
Current Financial liabilities								
	Current Maturity of Borrowings	9,599	-	-	9,599	-	-	-
	Trade payables	19,614	-	-	19,614	-	-	-
	Other financial liabilities	44,380	-	-	44,380	-	-	-
Total		73,593	-	-	73,593	-	-	-
		1,03,743	-	-	1,03,743	-	-	-


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

B	As at March 31, 2020	Carrying value			Fair value			
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets								
	Investments	9	1,45,028	-	1,45,037	1,45,028	-	-
	Loans	4,856	-	-	4,856	-	-	-
	Other financial asset	1,664	-	-	1,664	-	-	-
		6,529	1,45,028	-	1,51,557	1,45,028	-	-
Current Financial assets								
	Trade Receivables	33,456	-	-	33,456	-	-	-
	Cash and cash equivalents	96,135	-	-	96,135	-	-	-
	Bank balances other than Cash and cash equivalents	91,399	-	-	91,399	-	-	-
	Loans	2,179	-	-	2,179	-	-	-
	Other financial assets	1,850	-	-	1,850	-	-	-
		2,25,019	-	-	2,25,019	-	-	-
Total		2,31,547	1,45,028	-	3,76,575	1,45,028	-	-
Non Current Financial liabilities								
	Borrowings	39,683	-	-	39,683	-	-	-
Total		39,683	-	-	39,683	-	-	-
Current Financial liabilities								
	Current Maturity of Borrowings	8,491	-	-	8,491	-	-	-
	Trade payables	26,735	-	-	26,735	-	-	-
	Other financial liabilities	43,583	-	-	43,583	-	-	-
Total		78,809	-	-	78,809	-	-	-
		1,18,492	-	-	1,18,492	-	-	-

During the reporting year ended March 31, 2021 and March 31, 2020, there was no transfer between level 2 and level 3 fair value measurements.

45 Financial risk management

The group has exposure to the following risks arising from financial instruments:-

Credit risk;-
Liquidity risk;
and- Market risk

The group's board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports to the board of directors on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the group's activities. The group, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

i) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk that group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increases in credit risk on other financial instruments of the same counterparty,"

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the group. Where receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in Statement of Profit and Loss.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Credit terms are in line with industry trends."

Summary of the group's exposure to credit risk by age of the outstanding from various customers is as follows

	As at	
	March 31, 2021	March 31, 2020
Less than 180 days	47,576	22,716
From 181 - 365 days	22,241	9,116
More than 365 days	7,918	9,174
Total	77,735	41,006
Less : Impairment allowance	8,025	7,550
Total	69,710	33,456

Expected credit loss assessment for customers as at March 31, 2020 and March 31, 2021



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

Exposures to customers outstanding at the end of each reporting period are reviewed by the group to determine credit losses. Given that the macro economic indicators affecting customers of the group have not undergone any substantial change, the group expects the historical trend of minimal credit losses to continue.

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

	Amount
Balance as at April 1, 2019	4,389
Impairment loss recognised	3,161
Amounts written off / written back	-
Balance as at March 31, 2020	7,550
Impairment loss recognised	475
Amounts written off / written back	-
Balance as at March 31, 2021	8,025

Cash and bank balance

The Group held cash and bank balance with credit worthy banks and financial institutions of ₹ 2,03,289 and ₹ 1,88,437 as at March 31, 2021 and March 31, 2020 respectively. The credit worthiness of such banks and financial institutions is evaluated by the management on an on-going basis and is considered to be good.

ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time. The group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the group's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	As at March 31, 2021				As at March 31, 2020			
	Carrying amount	Less than 1 year	1 to 4 years	More than 4 years	Carrying amount	Less than 1 year	1 to 4 years	More than 4 years
Borrowing (Including Interest)	49,608	14,174	35,434	-	63,782	14,174	49,608	-
Trade payables	19,614	19,614	-	-	26,735	26,735	-	-
Lease Liability	12,608	1,998	5,711	4,899	22,448	4,201	11,593	6,654
Other financial liabilities	42,301	42,301	-	-	39,284	39,284	-	-
Bank Guarantee given	-	7,357	8,582	-	-	3,170	11,230	-

iii) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and payables.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and ensuring compliance with market risk limits and policies.

a) Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

a) Foreign currency risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk

Foreign currency exposure	US\$	EUR	GBP	CHF	Total
March 31, 2021					
Financial assets					
Investments	-	-	29,554	-	29,554
Trade receivables	21,317	33,677	-	-	54,994
Cash and cash equivalents	9,994	49,568	-	39	59,601
Net exposure to foreign currency risk (assets)	31,311	83,246	29,554	39	1,44,149
Financial Liabilities					
Trade payables	5,425	3,620	3,415	-	12,460
Trade payables for capital Goods	-	-	10,095	-	10,095
Net exposure to foreign currency risk (liabilities)	5,425	3,620	13,510	-	22,555
Rupee Conversion Rate	73.50	86.10	100.95	77.79	
March 31, 2020					
Financial assets					
Investments	20,504	-	24,990	-	45,495
Trade receivables	6,795	15,195	-	-	21,990
Cash and cash equivalents	10,250	37,722	-	40	48,012
Net exposure to foreign currency risk (assets)	37,549	52,917	24,990	40	1,15,497
Financial Liabilities					
Trade payables	14,660	2,976	709	-	18,345
Trade payables for capital Goods	-	-	9,308	-	9,308
Net exposure to foreign currency risk (liabilities)	14,660	2,976	10,017	-	27,653
Rupee Conversion Rate	75.39	83.05	93.08	81.23	

The table below demonstrates sensitivity impact on profit after tax and total equity due to change in foreign exchange rates of currencies where it has significant exposure:

Foreign currency	March 31, 2021		March 31, 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	258.86	(258.86)	162.24	(162.24)
EUR	796.26	(796.26)	353.98	(353.98)
GBP	160.43	(160.43)	106.13	(106.13)
CHF	0.39	(0.39)	0.29	(0.29)



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company main interest rate risk arises from long-term borrowings with fixed rates.

The company's borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

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

	As at	
	March 31, 2021	March 31, 2020
Fixed rate borrowings	39,749	48,174
Total borrowings	39,749	48,174

46 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment (refer note 18) ratio to shareholders, return capital to shareholders or issue fresh shares. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio are as follows.

	As at	
	March 31, 2021	March 31, 2020
Borrowings		
Long term and Short term borrowings	30,150	39,683
Current maturities of Long term borrowings	9,599	8,491
Less: Cash and cash equivalents	(1,12,760)	(96,135)
Adjusted net debt	(73,011)	(47,961)
Total Equity	8,45,471	7,59,569
Adjusted net debt to equity ratio	(0.09)	(0.06)

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

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


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

47 Business Combination
A) Subsidiaries

The Group's subsidiaries as at March 31, 2021, March 31, 2020 are set out below. Unless otherwise stated, they have share capital that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal place of business/ country of incorporation	Ownership interest held by the group		Proportion of ownership of interest by non-controlling interests		Principal activities
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
		%	%	%	%	
Arrow Green Technologies (UK) Limited	United Kingdom	100	100	-	-	Intellectual Property and Intellectual Property based products
Advance IP Technologies Limited	United Kingdom	95	95	5	5	Intellectual Property and Intellectual Property based products
Avery Pharmaceuticals Private Limited	India	99	99	1	1	Pharmaceuticals products
LQ Arrow Security Products (India) Private Limited	India	51	51	49	49	Security based products
Arrow Secure Technology Private Limited	India	100	100	-	-	Security based products

B) Non-controlling interests (NCI)

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

Summarised Balance Sheet	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current assets	5,794	5,542	1,39,516	35,733	22,438	16,526
Current liabilities	282	38	1,082	5,070	6,917	4,995
Net current assets	5,512	5,504	1,38,434	30,663	15,521	11,531
Non Current assets	2,064	2,037	29,893	45,761	1,54,992	1,20,522
Non Current liabilities	-	-	-	-	1,93,653	1,45,329
Net non-current assets	2,064	2,037	29,893	45,761	(38,661)	(24,807)
Net assets	7,576	7,541	1,68,326	76,424	(23,140)	(13,276)
Accumulated NCI	3,712	3,695	16,848	12,732	(163)	(163)


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

Summarised Statement of Profit and Loss	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue	306	107	2,79,437	-	61	206
Profit for the year	35	34	82,088	(47,923)	(9,864)	(7,419)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	35	34	82,088	(47,923)	(9,864)	(7,419)
Profit allocated to NCI	17	17	4,116	(2,437)	-	(74)
Dividend paid to NCI	-	-	-	-	-	-

Summarised cash flows	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Cash flows from operating activities	(31)	(118)	22,542	(48,215)	(12,488)	1,938
Cash flows from investing activities	221	100	18,838	2,966	(33,368)	(89,889)
Cash flows from financing activities	-	5,000	-	-	45,489	88,809
Net increase/(decrease) in cash and cash equivalents	190	4,982	41,380	(45,249)	(367)	859

C) Transactions with non-controlling interests

There are no transaction with non controlling interest in FY 2020-21 and FY 2019-20.

D) Interests in associates

Set out below are associates of the group as at March 31, 2021 which in the opinion of directors are not material to the group. The entities listed below have share capital consisting solely of equity shares which are directly held by the group.

Name of the entity	Principal place of business	% of ownership	Quoted fair value		Carrying amount	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
SP Arrow Bio Polymer Products Private Limited	India	46	-*	-*	-	-
Sphere Bio Polymer Private Limited	India	49	-*	-*	-	-

* Unlisted entity- no quoted price available.


Notes to the Consolidated financial statements for the year ended March 31, 2021

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

48 Additional information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	Amount	As % of consolidated net asset	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Comprehensive income	Amount	As % of consolidated total Comprehensive income
March 31, 2021								
Arrow Greentech Limited	6,02,523	70%	25,233	37%	463	2%	25,696	29%
Arrow Green Technologies (UK) Limited (consolidated)	3,10,906	36%	61,186	90%	21,346	98%	82,532	92%
Arrow Secure Technology Private Limited	59	0%	(17)	0%	-	0%	(17)	0%
Avery Pharmaceuticals Private Limited	(23,140)	-3%	(9,864)	-14%	-	0%	(9,864)	-11%
LQ Arrow Security Products (India) Private Limited	7,576	1%	35	0%	-	0%	35	0%
Console Adjustments	(52,454)	-6%	(12,480)	-18%	-	0%	(12,480)	-14%
Non controlling interest in all subsidiaries	20,398	2%	4,134	6%	-	0%	4,134	5%
Total	8,65,869		68,227		21,809		90,036	

48 Additional information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	Amount	As % of consolidated net asset	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Comprehensive income	Amount	As % of consolidated total Comprehensive income
March 31, 2020								
Arrow Greentech Limited	5,76,827	74%	21,190	-21%	(122)	-3%	21,068	-22%
Arrow Green Technologies (UK) Limited (consolidated)	2,24,258	29%	(97,087)	95%	4,674	103%	(92,413)	95%
Arrow Secure Technology Private Limited	77	0%	12	0%	-	0%	12	0%
Avery Pharmaceuticals Private Limited	(13,276)	-2%	(7,419)	7%	-	0%	(7,419)	8%
LQ Arrow Security Products (India) Private Limited	7,541	1%	34	0%	-	0%	34	0%
Console Adjustments	(24,992)	-3%	(16,377)	16%	-	0%	(16,377)	17%
Non controlling interest in all subsidiaries	5,399	1%	(2,495)	2%	-	0%	(2,495)	3%
Total	7,75,833		(1,02,142)		4,552		(97,590)	



Notes to the Consolidated financial statements for the year ended March 31, 2021
(All amounts in Indian ₹ in thousand unless otherwise stated)

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

Part A: Subsidiaries

Name of Subsidiary Company	Reporting currency & Eq. in ₹	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Investment	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
Arrow Green Technologies (UK) Limited	INR	2,029	1,43,083	1,47,378	2,248	2,533	7,823	(17,065)	-	(17,065)	-	100
	GBP	20	1,417	1,460	22	25	81	(176)	-	(176)	-	
Advance IP Technologies Limited	INR	101	1,88,225	1,69,409	1,082	29,554	2,79,437	82,088	-	82,088	-	95
	GBP	1	1,666	1,678	11	293	2,881	846	-	846	-	
Arrow Secure Technology Private Limited	INR	4,313	(4,254)	87	28	-	-	(17)	-	(17)	-	100
Avery Pharmaceuticals Private Limited	INR	2,500	(25,640)	1,77,430	2,00,570	-	61	(13,033)	(3,170)	(9,864)	-	99
LQ Arrow Security Products (India) Private Limited	INR	7,500	76	7,859	282	2,022	306	35	-	35	-	51

Exchange rates	INR	GBP
31-Mar-21	Avg. Rate	97.00
	Closing Rate	100.95

Part B: Associate
Statement pursuant to Section 129 (3) of the Act related to associate company

Name of Associate Company	Last audited Balance Sheet date	Share of associate held by the Company on the year end		Net worth attributable to share holding as per the latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate is not consolidated
		Nos.	Amount of investment in associate		Considered in consolidation	Not Considered in consolidation		
SP Arrow Bio Polymer Products Private Limited	31-Mar-21	4,600	46	(2,554)	-	(75)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-21	4,900	49	(81)	-	(14)	Refer note 1	Refer note 2

Notes

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



Notes to the Consolidated financial statements for the year ended March 31, 2021

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

50 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances - e.g. when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. The ISDA master netting agreement do not meet the criteria for offsetting in the balance sheet. This is because the Group does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements:

	Gross and Net amounts of financial instruments in the Balance sheet	Related financial instruments that are not offset	Net amount
31-Mar-21			
Financial assets			
Derivate assets	-	-	-
Total			
Financial liabilities			
Derivative liabilities	-	-	-
Total			
31-Mar-20			
Financial assets			
Derivate assets	-	-	-
Total			
Financial liabilities			
Derivative liabilities	1,468	-	1,468
Total			

51 Based on its initial assessment, the Management is consciously optimistic that there may not be any significant medium to long-term impact on the business of the Group (including Associates) due to the COVID-19 pandemic. The Group (including Associates) has evaluated the possible effects of COVID-19 on the carrying amounts of property, plant and equipment, patents, inventory and trade receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are generally recoverable. Having regard to the above, and the Group's (including Associates) operating efficiency and gradually improving liquidity position, there may not be material uncertainty generally in meeting the financial obligations over the foreseeable future.

52 The Code on Social Security, 2020 ('Code') received the Indian Parliament approval and Presidential Assent in September 2020. The Code once made effective would impact the employee benefits during employment as well as post employment benefits. The implementation of the Code has been deferred by the Central Government on March 30, 2021 and the date from which the code will be effective is yet to be notified. The impact assessment of the Code will be done by the Group once the same is made effective.

53 Comparative Previous Year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary to confirm to current year's classification and presentation.

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

Shilpan Patel
Managing Director
DIN No - 00341068

Neil Patel
Jt. Managing Director
DIN No - 00607101

Hitesh Punglia
Chief Financial Officer

Poonam Bansal
Company Secretary

Place : Mumbai
Date : June 24, 2021



NOTES



ARROW GREENTECH LIMITED
CIN: L21010MH1992PLC069281

Registered Off: 1/F, Laxmi Industrial Estate, New Link Road, Andheri (West) Mumbai - 400053
Tel: 022 4074 9000, 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, 1/F, Laxmi Industrial Estate, New Link Road, Andheri(W), Mumbai- 400053. The information should be accurate and complete in all respects and in order to prevent any incorrect particulars being entered, we request you to enclose photocopy of a Cheque for verifying the accuracy of MICR Code No. and other particulars.

ii. Demat Shares

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

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

Assuring you of our best services.

Thanking you.
Yours faithfully,

For Arrow Greentech Limited

Company Secretary



ARROW GREENTECH LIMITED

To,
The Share Department
ARROW GREENTECH LIMITED
1/F, Laxmi Industrial Estate
New Link Road
Andheri West, 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.:

Watersol[®]



Arrow's Water Soluble Film

- Dissolves in water
- Biodegradable
- Environmentally-safe

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AGRO CHEMICAL



DYE / ENZYME / CEMENT ADDITIVE



FISH BAIT



LIQUID DETERGENT



EMBROIDERY



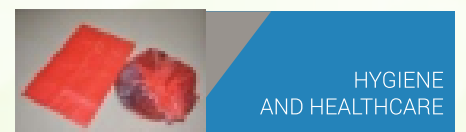
SEED TAPE



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HYGIENE AND HEALTHCARE



MOULD RELEASE



WATER TRANSFER PRINTING

MOUTH DISSOLVING STRIP (MDS)

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



ADVANTAGES OF MDS

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



MDS is suitable for



Geriatric



Pediatric



Mentally challenged



Bed-ridden patients



Mucositis



Dysphagia



Veterinary

Production Unit (Ankleshwar)



Production Unit (Sanand)





Registered & Corporate Office - India:

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

Phone: (+91) (022) 4974-3758

Email: info@arrowgreentech.com

Website: www.arrowgreentech.com