

Innovative
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Solutions



ARROW
GREENTECH LTD.

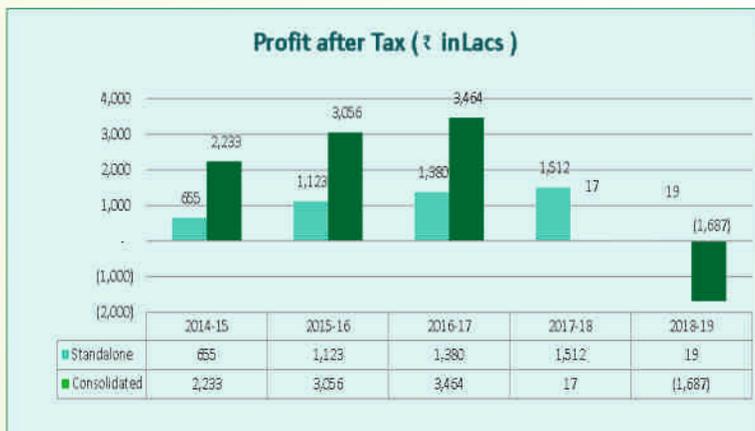
27th ANNUAL REPORT

2018 -2019

**THINK
GREEN**



Financial Highlights at a glance



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Chairman Message

Dear Stakeholders and Partners,

Looking back at the year gone by ending March 2019, certain developments, like macro environment, global concerns on various economies, and market-forces affecting our patent licensees etc., have greatly influenced almost every businesses. Your company was no exception. These are not in everyone's control. Your company has seen slow down since last year in patent royalties income, while the management continues to put in the extensive efforts for Patent monetization.



Last year I had said and I firmly believe this as a signal for us to tighten our belts, start looking more seriously into our entire patent portfolio, work even harder into initiating "Make in India" projects, taking benefit of our Honorable Prime Minister's initiatives.

While on this, I am proud to report that, On April, 26th, this year, we have been awarded the **"Winner of National Intellectual Property (IP) Award"** for the year 2019 in the category **"Top Indian Private Company (MSME) for Patents and Commercialization"** I am sure you all wish to congratulate our entire IP Team, this has further energized our team to work intensely for wider IP commercialization process. We inaugurated our PIC (Patent Incubation Centre) & RND Centre in Mumbai. The sole purpose is to make therein prototype products for our patents and their end uses.

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, our own product patents.

Further, you will be happy to know that our 100% subsidiary, Avery Pharmaceuticals Pvt. Ltd, currently focussing primarily on manufacturing of pharma products based on Arrow's actives embedded water soluble films and related patents on edible films, will have it's Gujarat plant to go on stream this year. This unit has recently signed MOU with Govt. of Gujarat. Ayushman Bharat and other such schemes for augmenting it's business, going forward.

With this, we will continue to focus on suitably associating with newer, greener and Eco-friendly technologies innovated in different geographies globally for transformation of our future business.

This aspiration continues to ignite our creativity, motivates us, to deliver value for our shareholders in the long term perspective, towards this end, You will be happy to know that your company has continued to make meaningful investments in people, processes, Research & Development, Intellectual Property and Technology.

I would like to thank all our employees, Board of Directors, all the shareholders and well wishers for their unstinted support to the Company.

Thanking You,

Shilpan Patel
Chairman & Managing Director



Mr. Shilpan Patel, aged 63 years, is the **Chairman and Managing Director** of the Company and holds a Master's degree in Business Administration from Sam Houston State University, Texas, USA. He did his graduation in Commerce from H.L. College of Commerce, Ahmedabad in India. He finished his schooling from St. Xavier's Highschool, Ahmedabad.

In 1979-80 he gained experience in coating industry from Grace Paper Industries Pvt. Ltd and worked there for a period of 9 years.

In 1990 he developed Water Soluble Film, which is a product of indigenous research and has very strong bearing on environment. In the year 2000 the product [Water Soluble Film] won the India Star Award.

Mr. Shilpan Patel is an inventor and has various patents granted to his credits. These patents have been granted in USA, Europe, South Africa, Australia and India and are based on Water Soluble Films and Green Technologies. These granted patents are assigned to Arrow Greentech Ltd, and are in public domain.

Appointed on the Board for the first time on October 30, 1992, he is in charge of Business Development and Strategic Management of the Company and creating value for all stake holders and society at large. He is based in Mumbai. He was last re-appointed as Director on our Board and re-designated as Managing Director of the Company for a period of 3 years w.e.f. September 13, 2017.



Mr. Neil Patel aged 33, is **Jt. Managing Director** of our Company. He has done M. Sc. (Bio Medical Science) from Kingston College, London. He possesses good entrepreneurship skills. He has excellent organizational skills and is inclined to take over the operations of the company. He is associated with the Company since 2009.

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



Mr. Haresh Mehta, aged 66 years, is an **Independent Director** of our Company. He is a graduate in Science. He holds a certificate in Packaging Technology and has also attended a long term programme in London. He is also a Director in Jayna Packaging Pvt. Ltd. He is a Chairman of Shareholders /Investor Grievance Committee and a member of the Audit Committee of the company.

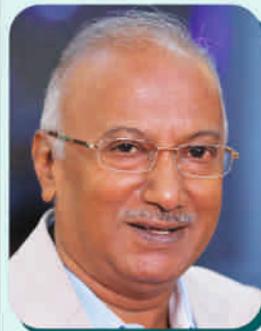
He was appointed on our board for the first time on December 01, 1993 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from our last Annual General Meeting held on September 29, 2015.



Mr. Harish Mishra aged 68, is an **Independent Director** of our Company. He graduated in Commerce and done M. Com from Jabalpur University in the year 1973. He has vast experience in Advertising and Production. He was associated with ZEE TV.

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

He has appointed to our board for the first time on 1st June 2012 as an Additional Director & confirmed as a Director in subsequent Annual General Meeting. His current term started from the Annual General Meeting held on September 29, 2014.



Mr. Dinesh Modi, aged 68 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 29, 2014.



Prof. Dinkarray D. Trivedi, aged 87 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.



Ms. Aradhana Singh, aged 33 years, is a lawyer and had done her L.L.B from Mumbai University. Currently she is working as an Associate Manager with Economic Laws Practice in real estate and banking and finance field. She has vast experience of around 11 years in the field of legal sector.



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
Ms. Aradhana Singh	Independent Woman Director

COMPANY SECRETARY :

Ms. Poonam Bansal

CHIEF FINANCIAL OFFICER:

Mr. Hitesh Punglia

REGISTERED OFFICE :

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

WORKS :

5310/5311 - GIDC,
ANKLESHWAR - 393 002

STATUTORY AUDITORS :

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

INTERNAL AUDITORS :

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

SECRETARIAL AUDITORS :

M/s. Rajendra & Co.
Company Secretaries
Mumbai

REGISTRAR AND SHARE TRANSFER AGENTS :

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

BANKERS :

Kotak Mahindra Bank
Bank of Baroda
HDFC Bank Ltd

Important Communication to Members

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



NOTICE

Notice is hereby given that the 27th Annual General Meeting of Arrow Greentech Ltd. will be held on, Saturday the September 07, 2019 at 10.30 a.m. at The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as on March 31, 2019 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares for the the year ended March 31, 2019.
3. To appoint a Director in place of Mr. Neil Patel, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Mr. Harish Mishra (DIN: 05301127) 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, Mr. Harish Mishra (DIN: 05301127), who was appointed as an Independent Director at the 22nd Annual General Meeting of the Company and who holds office up to September 28, 2019 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, 2019 upto March 31, 2024.”

5. Re-appointment of Mr. Dinesh Modi (DIN: 00004556) 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, Mr. Dinesh Modi (DIN: 00004556), who was appointed as an Independent Director at the 22nd Annual General Meeting of the Company and who holds office up to September 28, 2019 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, 2019 upto March 31, 2024.”

6. Re-appointment of Mr. Haresh Mehta (DIN: 00376589) 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, Mr. Haresh Mehta (DIN: 00376589), who was appointed as an Independent Director at the 23rd Annual General Meeting of the Company and who holds office up to March 31, 2020 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, 2020 upto March 31, 2025.”

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND IN CASE OF POLL, VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Member / Proxy should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the September 04, 2019 to Saturday, September 07, 2019 (both days inclusive).
6. Members desirous of seeking information relating to the accounts and operations of the Company are requested to address their queries to the Company at least 7 days in advance of the meeting, to enable the company to keep the information ready.
7. Shareholders are requested to bring their copies of Annual Report to the meeting.
8. In case the Dividend has remained unclaimed for the financial years 2012-13 to 2017-18 (Interim and/or Final) the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.
9. Members whose shareholding is in the electronic mode are requested to intimate any change in their address to their respective Depository Participants.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar and Share Transfer Agents.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Members are requested to address all correspondences to the Registrar and Share Transfer Agents.
13. Pursuant to the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the Annual General Meeting is given in the Annexure to this Notice.
14. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the businesses specified above is annexed hereto.
15. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote at the general meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of this rule.

Members who do not have access to e-voting facility may send duly completed Ballot Form (Attached to this Annual Report) so as to reach the Scrutinizer, Mr. Rajendra Vaze, Practising Company Secretary, at the Registered Office of the Company not later than September 06, 2019. Ballot Form received after this date will be treated as invalid.

Members may contact Ms. Poonam Bansal, Company Secretary, for any grievances connected with electronic means at the Corporate Office of the Company at 'Solitaire Corporate Park, Bldg No 3, 7th Floor, Unit No 372, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093, Tel. # 022-40749000.
16. The Board vide its Resolution passed on August 03, 2019 has appointed Mr. Rajendra Vaze, Practising Company Secretary, (Membership No. F4247, COP No. 1975), as Scrutinizer for conducting the e-voting and postal ballot process in accordance with the law and in a fair and transparent manner.

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

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



PROCESS AND MANNER FOR MEMBERS OPTING FOR E- VOTING

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

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM) ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on September 04, 2019 (9:00 am) and ends on September 06, 2019 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 31, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting consists of "Two Steps" are as under:

- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**
- Step 2: Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 are mentioned below:

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

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

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

- 4. Your User ID details are given below :

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. Your password details are given below:

- a) If you are already registered for e-Voting, then you can user 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, your 'initial password' is communicated to you on your postal address.
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.

Physical User Reset Password?
 - b. " (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.
 - 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.

Details on Step 2 is given below:

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.rajendra@yahoo.co.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 www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in
4. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 31, 2019.



5. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 31, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
6. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
7. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
8. Mr. Rajendra Vaze, Practicing Company Secretary (Membership No. F4247, COP No. 1975), has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
9. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
10. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
11. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.arrowgreentech.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed.

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

Mr. Neil Patel, aged 33 years, is Msc. (Bio medical science) from Kingston College, London. He possesses good entrepreneurship skills. He is associated with the Company since last 2009. He is also Director in Avery Bio-Degradable Products Private Limited, Arrow Agri-Tech Private Limited, Sphere Bio-polymer Pvt. Ltd and Advance Iris Security Products Private Limited and Arrow Green Technologies (UK) Ltd. & Advance IP Technologies (UK) Ltd. He is also a member of Audit Committee and Stakeholder Relationship Committee of the Company. As on March 31, 2019, he held 4,19,810 shares in the Company.

Mr. Haresh Mehta, aged 66 years, is a science graduate. He has vast experience in packaging industry. He is also director in Janya Packaging Pvt. Ltd. He is Chairman of Stakeholder Relationship Committee and member of Nomination & Remuneration Committee & CSR Committee of the Company. As on March 31, 2019, he held 6,800 shares of the Company.

Mr. Harish Mishra, aged 68 years, is M.Com. He has vast experience in Adversiting and Production. He was associated with Zee TV. He is not holding directorship in any other Company. He is Chairman of Audit Committee and member of Nomination & Remuneration Committee & CSR Committee of the Company. As on March 31, 2019, he does not hold any shares of the Company.

Mr. Dinesh Modi, aged 68 years, is a Company Secretary, L.L.B & B.Com graduate. He has vast experience & knowledge in Finance and Legal & Corporate Sector. He is also a director in Shree Pushkar Chemicals & Fertilizers Limited. As on March 31, 2019, he held 50 shares in the Company.

Item No. 4 & 5

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Harish Mishra & Mr. Dinesh Modi as Independent Directors, for a second term of five years from April 1, 2019 to March 31, 2024, not liable to retire by rotation. Mr. Harish Mishra & Mr. Dinesh Modi were appointed as Independent Directors at the 22nd Annual General Meeting (“AGM”) of the Company and holds office up to September 28, 2019. 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 Mr. Harish Mishra & Mr. Dinesh Modi would be beneficial to the 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, they have confirmed that they are 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 Mr. Harish Mishra & Mr. Dinesh Modi 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 Mr. Harish Mishra & Mr. Dinesh Modi 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 & 5 of this Notice for approval of the Members.

Except Mr. Harish Mishra & Mr. Dinesh Modi and their relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 4 & 5 of the Notice.

Item No. 6

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Haresh Mehta as Independent Director, for a second term of five years from April 01, 2020 to March 31, 2025, not liable to retire by rotation. Mr. Haresh Mehta was appointed as Independent Director at the 23rd Annual General Meeting ("AGM") of the Company and holds office up to March 31, 2020. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Haresh Mehta would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he 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, he 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 Mr. Haresh Mehta is provided in the Notice forming part of the Annual Report. The terms and conditions of his 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 Mr. Haresh Mehta 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. 6 of this Notice for approval of the Members.

Except Mr. Haresh Mehta and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 6 of the Notice.

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

Poonam Bansal
Company Secretary

Mumbai, August 03, 2019

Registered Office:

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



DIRECTORS' REPORT

To,
The Members,

The Directors of Arrow Greentech Limited present the 27th Annual Report on the operations of the Company, together with the Audited Accounts for the year ended March 31, 2019.

Financial Results

(₹ in thousands)

Particulars	2018-2019	2017-2018
Total income	5,10,911	4,91,319
Profit (Loss) before finance cost, Depreciation and Amortization expenses, exceptional items & Tax	44,222	2,21,621
Less : Finance Cost	-	-
Less : Depreciation and Amortization expenses	34,084	40,314
Less: Exceptional items	-	-
Profit Before Tax	10,138	1,81,307
Less : Provision for Taxation		
- Current Tax	11,010	32,276
- Deferred Tax	(2,773)	(2,442)
Profit for the year	1,901	1,51,473
Other Comprehensive Income	(188)	(266)
Profit for the year after other comprehensive income	1,713	1,51,207
Add : Balance brought forward	3,45,406	2,59,944
Less : Tax & Dividend Adjustment (related to previous year)	23,479	65,746
Balance carried to Balance Sheet	3,23,640	3,45,406

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 ₹ 5,109.11 Lacs as compared to ₹ 4,913.19 Lacs in the previous year. The Company has earned net profit of ₹ 17.13 Lacs (including other comprehensive income) as compared to ₹ 1,512.07 Lacs in the previous year. After adjustment of brought forward balance of ₹ 3,454.06 Lacs from previous year and payment of dividend (including corporate dividend tax) of ₹ 234.78 Lacs for previous year, ₹ 3,236.40 Lacs has been carried to the Balance Sheet.

Transfer to Reserves

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

Business outlook and future prospects:

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

Dividend

Your Directors have recommended a Dividend of 5% on 1,17,39,948 Equity Shares of the face value of ₹ 10/- i.e. ₹ 0.50/- per equity share for the financial year ended March 31, 2019 subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The dividend would be payable to all those Shareholders whose names appear in the Register of Members as on the Book Closure Date.

Public Deposits

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



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

(a) Conservation of Energy and Technology Absorption

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

(b) Foreign Exchange earning and outgo

Foreign Exchange earnings	- ₹ 1,796.27 Lacs (previous year ₹ 3,333.5 Lacs)
Foreign Exchange outgo	- ₹ 669.48 Lacs (previous year ₹ 514.4 Lacs)

Auditors And Auditors' Report

Statutory Auditors

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

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

Secretarial Auditor:

The Board has appointed M/s Rajendra & Co., Practising Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 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, 2019 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_Material_Subsiidiaries.pdf

Consolidated Financial Statements

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

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

Corporate Governance

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

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

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

Internal control systems and their adequacy:

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

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

Internal Financial Controls

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

Extract of Annual Return:

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

Share Capital

The Paid up Share Capital as on March 31, 2019 was ₹ 11.74 crore. During the year under review, the Company has not issued any shares.

Directors and Key Managerial Personnel

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.

The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 18, 2019, have recommended and approved the re-appointment of Mr. Harish Mishra, whose first term as Independent Director of the Company will be expiring on September 28, 2019 and proposed to be re-appointed as Independent Director for a second consecutive term period of 5 (five) years w.e.f. April 01, 2019 upto March 31, 2024, subject to approval of Members at this ensuing Annual General Meeting of the Company.



Further, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 18, 2019, have recommended and approved the re-appointment of Mr. Dinesh Modi, whose first term as Independent Director of the Company will be expiring on September 28, 2019 and proposed to be re-appointed as Independent Director for a second consecutive term period of 5 (five) years w.e.f. April 01, 2019 upto March 31, 2024, subject to approval of Members at this ensuing Annual General Meeting of the Company.

Further, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on May 18, 2019, have recommended and approved the re-appointment of Mr. Haresh Mehta, whose first term as Independent Director of the Company will be expiring on March 31, 2020 and proposed to be re-appointed as Independent Director for a second consecutive term period of 5 (five) years w.e.f. April 01, 2020 upto March 31, 2025, subject to approval of Members at this ensuing Annual General Meeting of the Company.

Due notices under Section 160 of the Companies Act, 2013 have been received from members of the Company proposing the re-appointment of Mr. Harish Mishra, Mr. Dinesh Modi and Mr. Haresh Mehta as Independent Directors of the Company at this Annual General Meeting.

Brief resume, nature of expertise, details of directorships held in other companies of the above Directors proposed to be re-appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 and Regulation 36 of the Listing Regulations, is appended as an annexure to the Notice of the Annual General Meeting.

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

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, 2019 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 February 09, 2019, 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 March 31, 2019 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: May 18, 2019

Shilpan P Patel
Chairman & Managing Director
DIN:00341068



ANNEXURE I

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

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

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

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** according to the provisions of:

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



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

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

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

I further report that

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

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

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

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

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

- (1) Transaction with Related Parties under Section 188 of The Companies Act, 2013
- (2) To regularize the appointment of Mr. Dinkarray D. Trivedi, Non Executive Independent Director as per Regulation 17(1A) of SEBI (LODR) Regulation 2015.

For Rajendra and Co.,
Company Secretaries

(Rajendra Vaze)
Practicing Company Secretary

Place: Mumbai
Date: May 18, 2019

FCS No . 4247
C.P. No 1975

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

ANNEXURE A

To The Members
Arrow Greentech Limited

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

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

For Rajendra and Co.,
Company Secretaries

(Rajendra Vaze)
Practicing Company Secretary

Place: Mumbai
Date: May 18, 2019

FCS No . 4247
C.P. No 1975

**ANNEXURE II****AOC - 1**

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

Part A: Subsidiaries

Name of Subsidiary Company	Reporting currency & Eq. in ₹	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Investment	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
Arrow Green Technologies (UK) Limited	INR	1,819	2,05,941	2,09,439	1,680	2,270	7,857	(73,159)	(9,013)	(64,146)	-	100
Advance IP Technologies Limited	GBP	20	2,276	2,315	19	25	86	(797)	(98)	(699)	-	95
Arrow Secure Technology Private Limited	INR	90	1,22,300	1,27,541	5,150	47,076	18,177	(36,867)	(1,155)	(35,712)	-	100
Avery Pharmaceuticals Private Limited	GBP	1	1,352	1,410	57	520	198	(402)	(13)	(389)	-	99
LQ Arrow Security Products (India) Private Limited	INR	4,313	(4,248)	83	18	-	-	(31)	-	(31)	-	100
	INR	2,500	(7,307)	44,958	49,765	-	128	(7,133)	111	(7,244)	-	99
	INR	2,500	7	2,545	38	1,980	105	24	-	24	-	51

Exchange rates	INR	GBP
31-Mar-19	Avg. Rate	91.76
	Closing Rate	90.48

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	Description of how there is significant influence	Reason why associate is not consolidated
		Nos.	Extent of holding (%)			
SP Arrow Bio Polymer Products Private Limited	31-Mar-19	4,600	46%	(2,494)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-19	4,900	49%	(47)	Refer note 1	Refer note 2

Notes

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

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

Shilpan Patel
Managing Director
DIN No - 00341068

Neil Patel
Jt. Managing Director
DIN No - 00607101

Hitesh Punglia
Chief Financial Officer

Poonam Bansal
Company Secretary



ANNEXURE III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
 As on financial year ended on 31.03.2019

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	Solitaire Corporate Park, Bldg No 3, 7th Floor, Unit No 372 Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093. Ph. No.: 022 4074 9000 Email – poonam@arrowgreentech.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel No. 022- 49186000 / Fax No. 022- 49186060 Email : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Water Soluble Film	222	18%
2	Royalty Income -Patent	77	22%
3	Others	46	54%

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 14 Burman Road, Liverpool L19 6PN.	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	No. of Shares held at the beginning of the year (As on 01-April-2018)				No. of Shares held at the end of the year (As on 31-March-2019)				% 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	64,83,971	-	64,83,971	55.23	64,83,971	-	64,83,971	55.23	0.00
(b)	Central Government / State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	11,96,014	-	11,96,014	10.19	11,96,014	-	11,96,014	10.19	0.00
	Sub Total (A)(1)	76,79,985	-	76,79,985	65.42	76,79,985	-	76,79,985	65.42	0.00
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
(b)	Government	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Institutions	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)				0.00					
	Sub Total (A)(2)	-	-	-	0.00	-	-	-	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	76,79,985	-	76,79,985	65.42	76,79,985	-	76,79,985	65.42	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	9,29,581	19,600	9,49,181	8.09	2,07,287	19,600	2,26,887	1.93	-6.15
(b)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Alternate Investment Funds	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Foreign Portfolio Investor	1,53,007	-	1,53,007	1.30	97,800	-	97,800	0.83	-0.47
(f)	Financial Institutions / Banks	8,878	-	8,878	0.08	1,415	-	1,415	0.01	-0.06
(g)	Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
(h)	Provident Funds/ Pension Funds	-	-	-	0.00	-	-	-	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	10,91,466	19,600	11,11,066	9.46	3,06,502	19,600	3,26,102	2.78	-6.69
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	-	-	-	0.00	-	-	-	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	13,65,874	1,60,827	15,26,701	13.00	19,97,992	1,54,727	21,52,719	18.34	5.33
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,33,729	93,700	6,27,429	5.34	6,57,308	93,700	7,51,008	6.34	1.05



Sr No	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2018)				No. of Shares held at the end of the year (As on 31-March-2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	NBFCs registered with RBI	-	-	-	0.00	4,211	-	4,211	0.04	0.04
(c)	Employee Trusts	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Overseas Depositories (holding Drs) (balancing figure)	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)									
	Hindu Undivided Family	1,18,847	-	1,18,847	1.01	1,85,245	-	1,85,245	1.58	0.57
	Foreign Companies	-	1,80,000	1,80,000	1.53	1,76,626	-	1,76,626	1.50	-0.03
	Non Resident Indians (Non Repat)	16,940	7,300	24,240	0.21	23,018	7,300	30,318	0.26	0.05
	Non Resident Indians (Repat)	1,21,175	-	1,21,175	1.03	1,79,248	-	1,79,248	1.53	0.49
	Foreign Portfolio Investor (Individual)	100	-	100	0.00	100	-	100	0.00	0.00
	Clearing Member	1,20,454	-	1,20,454	1.03	62,317	-	62,317	0.53	-0.50
	Bodies Corporate	2,11,751	18,200	2,29,951	1.96	1,73,869	18,200	1,92,069	1.64	-0.32
	Sub Total (B)(3)	24,88,870	4,60,027	29,48,897	25.12	34,59,934	2,73,927	37,33,861	31.80	6.69
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	35,80,336	4,79,627	40,59,963	34.58	37,66,436	2,93,527	40,59,963	34.58	0.00
	Total (A)+(B)	1,12,60,321	4,79,627	1,17,39,948	100.00	1,14,46,421	2,93,527	1,17,39,948	100.00	0.00
(C)	Non Promoter -									
	Non Public									
[1]	Custodian / DR Holder	-	-	-	0.00	-	-	-	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	0.00	-	-	-	0.00	0.00
	Total (A)+(B)+(C)	1,12,60,321	4,79,627	1,17,39,948	100.00	1,14,46,421	2,93,527	1,17,39,948	100.00	

(ii) Shareholding of Promoter

SN	Shareholder's Name	No. of Shares held at the beginning of the year (As on 01-April-2018)			No. of Shares held at the end of the year (As on 31-March-2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	SHILPAN P PATEL	32,26,342	27.48	0.00	32,26,342	27.48	0.00	0.00
2	JIGISHA S PATEL	15,18,503	12.93	0.00	15,18,503	12.93	0.00	0.00
3	ARROW CONVERTORS PVT LTD	11,96,014	10.19	0.00	11,96,014	10.19	0.00	0.00
4	SHILPAN PATEL HUF	8,99,316	7.66	0.00	8,99,316	7.66	0.00	0.00
5	RISHIL S PATEL	4,20,000	3.58	0.00	4,20,000	3.58	0.00	0.00
6	NEIL S PATEL	4,19,810	3.58	0.00	4,19,810	3.58	0.00	0.00
	Total	76,79,985	65.42	0.00	76,79,985	65.42	0.00	0.00

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

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1st April 2018		Transactions during the year		Cumulative Shareholding at the end of the year 31st March 2019	
		No. of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% Of Total Shares Of The Company
1	SHILPAN P PATEL	32,26,342	27.48			32,26,342	27.48
	AT THE END OF THE YEAR					32,26,342	27.48
2	JIGISHA S PATEL	15,18,503	12.93			15,18,503	12.93
	AT THE END OF THE YEAR					15,18,503	12.93
3	ARROW CONVERTORS PVT LTD	11,96,014	10.19			11,96,014	10.19
	AT THE END OF THE YEAR					11,96,014	10.19
4	SHILPAN PATEL HUF	8,99,316	7.66			8,99,316	7.66
	AT THE END OF THE YEAR					8,99,316	7.66
5	RISHIL S PATEL	4,20,000	3.58			4,20,000	3.58
	AT THE END OF THE YEAR					4,20,000	3.58
6	NEIL S PATEL	4,19,810	3.58			4,19,810	3.58
	AT THE END OF THE YEAR					4,19,810	3.58

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 1,17,39,948 Shares.

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

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

(iv) Shareholding Pattern of top ten Shareholders

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

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1 st April 2018		Transactions during the year		Cumulative Shareholding at the end of the year 31 st March 2019	
		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	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES XIV	3,64,713	3.11			3,64,713	3.11
	Transfer			24 Aug 2018	(2,233)	3,62,480	3.09
	Transfer			31 Aug 2018	(31,186)	3,31,294	2.82
	Transfer			23 Nov 2018	(7,338)	3,23,956	2.76
	Transfer			30 Nov 2018	(3,590)	3,20,366	2.73
	Transfer			07 Dec 2018	(8,331)	3,12,035	2.66
	Transfer			14 Dec 2018	(7,255)	3,04,780	2.60
	Transfer			21 Dec 2018	(10,207)	2,94,573	2.51
	Transfer			28 Dec 2018	(3,000)	2,91,573	2.48
	Transfer			04 Jan 2019	(23)	2,91,550	2.48
	Transfer			11 Jan 2019	(13,167)	2,78,383	2.37
	Transfer			15 Feb 2019	(9,783)	2,68,600	2.29
	Transfer			01 Mar 2019	(9,117)	2,59,483	2.21
	Transfer			08 Mar 2019	(25,766)	2,33,717	1.99
	Transfer			15 Mar 2019	(15,069)	2,18,648	1.86
	Transfer			22 Mar 2019	(12,141)	2,06,507	1.76
	AT THE END OF THE YEAR					2,06,507	1.76
2	AQUAVISTA LIMITED	1,80,000	1.53			0	0.00
	Transfer					1,80,000	1.53
	Transfer			04 May 2018	(3,374)	1,76,626	1.50
	AT THE END OF THE YEAR					1,76,626	1.50
3	ASUTOSH PRAMODCHANDRA MEHTA	1,30,307	1.11			1,30,307	1.11
	AT THE END OF THE YEAR					1,30,307	1.11
4	SAMIR P PATEL	93,700	0.80			0	0.00
	AT THE END OF THE YEAR					93,700	0.80



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

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1 st April 2018		Transactions during the year		Cumulative Shareholding at the end of the year 31 st March 2019	
		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
5	PREMIER INVESTMENT FUND LIMITED	47,800	0.41			47,800	0.41
	Transfer			06 Jul 2018	4,500	52,300	0.45
	AT THE END OF THE YEAR					52,300	0.45
6	NITA ASUTOSH MEHTA	41,100	0.35			41,100	0.35
	AT THE END OF THE YEAR					41,100	0.35
7	V SATYA NARAYANA	40,724	0.35			40,724	0.35
	AT THE END OF THE YEAR					40,724	0.35
8	SURESH GADALEY	47,379	0.40			47,379	0.40
	Transfer			13 Apr 2018	(236)	47,143	0.40
	Transfer			20 Apr 2018	(500)	46,643	0.40
	Transfer			18 May 2018	(500)	46,143	0.39
	Transfer			13 Jul 2018	(2,928)	43,215	0.37
	Transfer			31 Aug 2018	(2,000)	41,215	0.35
	Transfer			26 Oct 2018	(500)	40,715	0.35
	Transfer			23 Nov 2018	(400)	40,315	0.34
	AT THE END OF THE YEAR					40,315	0.34
9	DR. MAKRAND RATUBHAI MASRANI	20,050	0.17			20,050	0.17
	Transfer			12 Oct 2018	561	20,611	0.18
	Transfer			19 Oct 2018	19,439	40,050	0.34
	AT THE END OF THE YEAR					40,050	0.34
10	MITA DIPAK SHAH	0	0.00			0	0.00
	Transfer			03 Aug 2018	34,000	34,000	0.29
	Transfer			29 Sep 2018	400	34,400	0.29
	Transfer			05 Oct 2018	1,500	35,900	0.31
	Transfer			26 Oct 2018	242	36,142	0.31
	AT THE END OF THE YEAR					36,142	0.31
11	DSP BLACKROCK SMALL CAP FUND	5,60,088	4.77			5,60,088	4.77
	Transfer			01 Jun 2018	(478)	5,59,610	4.77
	Transfer			15 Jun 2018	(2,11,068)	3,48,542	2.97
	Transfer			22 Jun 2018	(1,42,562)	2,05,980	1.75
	Transfer			30 Jun 2018	(1,11,672)	94,308	0.80
	Transfer			06 Jul 2018	(152)	94,156	0.80
	Transfer			13 Jul 2018	(94,156)	0	0.00
	AT THE END OF THE YEAR					0	0.00
12	VIMAL SAGARMAL JAIN	92,700	0.79			92,700	0.79
	Transfer			01 Jun 2018	(15,831)	76,869	0.65
	Transfer			08 Jun 2018	(5,163)	71,706	0.61
	Transfer			15 Jun 2018	(71,706)	0	0.00
	AT THE END OF THE YEAR					0	0.00
13	SLG INTERNATIONAL OPPORTUNITIES, L.P	71,142	0.61			71,142	0.61
	Transfer			30 Nov 2018	(27,015)	44,127	0.38
	Transfer			07 Dec 2018	(260)	43,867	0.37
	Transfer			14 Dec 2018	(10,406)	33,461	0.29
	Transfer			21 Dec 2018	(33,461)	0	0.00
	AT THE END OF THE YEAR					0	0.00

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 1,17,39,948 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 1 st April 2018		Cumulative Shareholding at the end of the year 31 st March 2019	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Shilpan Patel Chairman & Managing Director At the beginning of the year Changes during the year At the end of the year			32,26,342 32,26,342	27.48% 0.00% 27.48%		0.00% 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			4,19,810 4,19,810	3.58% 0.00% 3.58%		0.00% 0.00% 0.00%
3	Mr. Haresh Mehta Independent Director At the beginning of the year Changes during the year At the end of the year			6,800 6,800	0.06% 0.00% 0.06%		0.00% 0.00% 0.00%
4	Mr. Harish Mishra 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%
5	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%
6	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%
7	Ms. Aradhana Singh Independent Women 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 Changes during the year At the end of the year			27 27	0.00% 0.00% 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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		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	75,00,000	75,00,000	1,50,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	21,600	43,200
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify			
	Total (A)	75,21,600	75,21,600	1,50,43,200
	Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Director		



B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors					Total Amount (₹)	
		Mr. Haresh Mehta (ID)	Mr. Harish Mishra (ID)	Ms. Aradhana Singh (ID)	Mr. Dinesh Modi (ID)	Mr. Dinkarray D Trivedi (ID)		
1	Independent Directors							
	Fee for attending board committee meetings	1,90,000	1,90,000	1,10,000	2,10,000	1,10,000	8,10,000	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (1)	1,90,000	1,90,000	1,10,000	2,10,000	1,10,000	8,10,000	
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	
	Total (B)=(1+2)	1,90,000	1,90,000	1,10,000	2,10,000	1,10,000	8,10,000	
	Total Managerial Remuneration						1,58,53,200	
	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	49,41,000	9,74,722	59,15,722
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600	21,600	43,200
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission	-	-	-
4	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	49,62,600	9,96,322	59,58,922

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: ₹ 1,233.13 lacs**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

Prescribed CSR expenditure for FY 2018-19 : ₹ 24.66 Lacs

Unspent CSR amount carried forward from FY 2017-18 : ₹ 1.83 Lacs

Total amount to be spent in CSR : ₹ 26.49 Lacs

5. Details of CSR spent during the financial year :

(a) Total amount spent for the financial year 2018-19 : ₹ 21.00 Lacs

(b) Amount unspent, if any : ₹ 5.49 Lacs

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

S. No	CSR Projector activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure up to the reporting period (Amt in ₹)	Amount spent: Direct (Amt in ₹)
1	Promote Social, Educational and Cultural development of the society	Social Economic Development	-	21,00,000	21,00,000	21,00,000	21,00,000

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 ₹ 21 lacs out of ₹ 27.38 lacs for the Financial Year 2018-19 as above and has utilized 76.70% of the amount. Your Company is in process of finding suitable project(s), and will contribute in phased manner in future, upon identification of suitable projects within the Company's CSR Policy.

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

Place: Mumbai
Date: May 18, 2019

Shilpan Patel
Chairman & Managing Director
DIN: 00341068



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

A. Water Soluble Film (Watersol®):

Arrow Greentech Ltd, is one of the leading manufacturers of cast water soluble film in the world. After tripling our capacity for **Watersol film** in Gujarat, with totally automated machines, this year our focus will be on development of value added products. Our film has got varied applications in industries ranging from Agrochemicals, Construction, Chemical, Embroidery, Health & hygiene to Water transfer printing (3D printing).

The agrochemical sector and the health/hygiene sector adds up to be around 70% of the water soluble film market in the world, your company is working closely with major buyers to secure the present capacity and so that we can prepare for future expansion in the coming years. To secure our future endeavours we are investing into research and development to add new innovative products to our product list. According to certain research reports the PVA film market is growing at approximately 5.2% CAGR.

The potential of Watersol film in the health and hygiene industry cannot be overstated. In a field where hygiene, safe disposal and proper use are non-negotiable, these film can be used as disinfectant laundry bags and as capsule packs. The Watersol laundry bags is an optimum precautionary product that enables those who handle soiled linen to isolate, store, transport and clean washable dirty items. In the hygiene division, Arrow Greentech limited has developed a new cast Water Soluble film which is used for manufacturing water soluble detergent filled capsules. These capsules are soluble sachets that can provide capsule packaging for a wide range of applications. The Cast Water Soluble Capsules can store medical or household powder or liquid products safely, thus ensuring convenient storage, high accountability, safe transportation, while also maintaining environmental standards as these biodegradable products dissolve completely without leaving behind any residue and consequent environmental risk.

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

B. Bio-Compostable Products (Bioplast®):

Although the government had taken a pledge to ban any single-use toxic plastic products and has urged the use of bio-compostable products as a replacement to them, there is a requirement to create awareness within the people for the benefits of Bioplast film. Our team is part of the Bio-compostable association created to not only create an awareness amongst the people, but also help the government make clear decisions related to these products.

Bio-compostable film is an ecofriendly alternative to replace toxic plastic for our future generation. With increasing concerns over the use of plastics, sustainable alternatives to plastics are increasing in demand. Plastics, made from petrochemicals, are not a product of nature and cannot be broken down by natural processes. Arrow Greentech's foray into bio-compostable film will be a game changer in terms of the ways packaging is being done conventionally. It would eliminate the waste woes and package the product securely without causing any alterations in the manufacturing of the product i.e. the same machines can be used to manufacture Bioplast film (ecofriendly) which have been used to manufacture toxic plastic products. This ensures that plastic manufacturing companies do not go out of business and may retain their employees.

We aims to follow the specifications and standards of ISO 17088 (2008) for compostable plastics. We have in-licensed the 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, polylactic acid etc) and has a diverse range of application such as carrier bags, garbage bags, disposable dishes and food containers.

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

C. KLENZ Pro:

A forward integration of Watersol film. Cleaning chemicals packed in watersol film that help reduce pollution and also provide convenience to the end user.

We are the first company in India to successfully launch cleaning chemical in water-soluble films. Klenz Pro is designed in collaboration with Proquimia (Spain) who has more than 45 years of experience in manufacturing and marketing Cleaning & Hygiene Chemicals. We are proud to provide high quality products to our customers, as all our products are manufactured under European 2017 norms and standards. We have a wide range of ECO-LABELED products in our portfolio, thereby focusing on our mission as our products reduce the use of plastics. We constantly strive to provide our customers with a balance between profitability and sustainability, providing a comprehensive solution to the most demanding consumers.

Our technical partner Proquimia is helping us growing the business both in India and other countries.

**D. Security Products:**

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

Cross selling between two divisions is also possible e.g. WSF division can add value to customer's brand by providing security features in film. Protecting and control of grey marketing can be done by adding track and trace elements and embedding of security elements within WSF and security printing upon WSF wherein both the package and the security disperses, after dispensation or consummation of the product. As our patents are world-wide, the protection and policing is guaranteed in producing or marketing countries. Company has several patents in this security cluster and thus intends to create revenues in the coming years. Many of the European and Australian FMCG companies have been approached for propagating this technology. Track and trace solutions embedded in Printed WSF for detergent pods or dishwasher tablets are some of the products which Arrow will be looking at for commercializing via this patent.

E. Patents and IPR SBU:

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

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

This year, Arrow has been granted 1 patent in India. i.e. Method of Producing Security Film for incorporating into a Security Paper. Currently we have 39 granted patents nationally and internationally across Europe, The USA, South Africa, Australia, Russia and India.

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

Based on our Health and Hygiene patent on Actives Embedded water soluble films, Arrow has invested in a wholly owned subsidiary named Avery Pharmaceuticals Pvt Ltd. The production is likely to go on stream in the last quarter of this financial year. This unit is set up in Sanand area, near Ahmedabad. The company and its activities received awards during the public function held during Vibrant Gujarat, and we signed an MOU with the State Govt. This will open doors for more economical generic medicines, with quick delivery system, and may find an important place in Ayushman Bharat initiative of GOI.

As you are aware a long drawn legal fight is going on with Nu-Therapeutics and Shilpa Pharmaceuticals, and this has now reached to intense legal contest. After winning litigation against Ankur Pharma Ltd., and Lincoln Pharma Ltd. on same patent litigation, our attorneys are confident of winning this case as well. The patents are value creators for the Companies as they can be licensed, sold, assigned or cross licensed, so having a strong patent portfolio enables a Company to be royalty earner than royalty payer.

We are happy to inform you that this year we won the most coveted award in IP arena. The 2019, National IP Award (in MSME sector). Arrow is also invited to the "Select committee on IP" organised by CII and DIPPIIT (GOI), and our endeavour shall be to expedite legal judgements and rulings in the IP arena and to put India in the Top 25 in GII (Global Innovative Index), as per the Vision of our PM. Today, we are at 52, while China is at 20!! , while US remains at Numero Uno.

F. Arrow UK Activities:

Arrow UK formed has been focusing on various avenues to generate income. It is a 100% owned subsidiary, of AGTL, India. The Board members and other team members consists of experienced personnel skilled in the art of Patent commercialization and technology. This team has been highly successful in outlicensing certain patents, while new members are being added, from industry specific areas, to commercialize our technologies in UK, EU and US. It was the vision of the management, knowing very



well that the western world respects IP rights, and pay royalties, which usually avoids legal costs on both sides. This is not the case in India and Asian countries. We also learnt that the western companies, and MNCs were more comfortable, in terms of legal agreements, communication, technology transfers and commercialization with companies having rights to patents, within their territory. So Arrow UK fit the bill, and we plan to work on this logistical advantage in the future as well.

As is also informed, the Board has given its approval to expand into US territory, and open an office in US (similar to our vision during Arrow UK opening). In the US, patents and infringement income/licensing royalties will have even a bigger advantage, as the USPTO is more benevolent to “US Companies” and Judiciary has a bearing on State Law. Planning and strategy for income is better in US, once patents are granted, in that territory. However, as always, Patent income is a game of patience, so we go sure footed and don't expect immediate results.

G. Water soluble edible film:

Having formed Avery Pharmaceuticals, a wholly owned company of AGTL, our focus will now go onto produce Edible Films. Arrow has protected this technology and its end use, via certain patents. Edible active ingredients, sauces, readymade food, and ready mix recipes can be delivered unadulterated and in a precise manner, to ensure intended taste and flavor.

We expect the food sector to grow in the coming future and Indian Cuisines to be exported to the diaspora abroad. Delivery of the ingredients and ready food, in a single recyclable green package will add to the branding of these exporters. Our edible film will play a pivotal role in this expedition.

Avery's planned capacity to produce such films, along with their high end Pharma Films, is in line with company's vision.

H. New Ventures:

In this section I am happy to inform you that following new ventures have been initiated:

1. Avery Pharmaceuticals Pvt Ltd. This is a green field project awarded and recognised by Govt. of Gujarat (MOU was signed during the Vibrant Gujarat submit, 2019, Avery was recognised as a Health and Hygiene Pharma green field project, investment opportunity.
2. Security Thread Manufacturing Plant: Arrow invested in a high technology plant to manufacture Security Threads and Security films for Bank Notes, Arrow will also commercialise its own patents in this field. The same equipment can also be utilised for manufacturing of security films, as patented by Arrow.
3. MOU with Versarien: as informed, Arrow signed an agreement with Versarien, UK, who are owning patents on “wonder material—Graphene”. We have plan to import Graphene for our own consumption and for supporting various initiatives and technologies in India, thus paving the way to produce Graphene in India. Graphene has multiple end uses, in the field of Security Products, Defence, Space, Intelligent Garments, electronics, EV batteries, medicine, to name a few. Arrow plans to be a leader in the production of 2-D Graphene, using a patented process, with head start given by our partners. Team Arrow UK played an important role in putting this venture together.

2. Opportunities:

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

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

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

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



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

3. Threats:

Threats include non-specified materials (like blown films) from China, compelling us to keep our prices low and resulting in inability to make higher margins. Any illegal Imports of our patented products like soap film, bio compostable film etc. Also delay in implementing strong regulatory measures on plastic ban can impact bio-plast business opportunity.

4. Internal control system and their adequacy:

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

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

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

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

6. Cautionary statement:

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

For Arrow Greentech Limited

Shilpan Patel
Authorised Signatory



REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, 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, 2019, the Board comprised seven Directors. Of these, two are Executive Directors, including the Chairman & Managing Director who is a Promoter Director. Remaining five are Independent Directors, including Woman Director.

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

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

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

(b) Number of Board Meetings

The Board of Directors met four (4) times during the financial 2018-19. The Meetings were held on May 29, 2018, August 02, 2018, November 03, 2018 and February 09, 2019. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

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

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

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

The details of names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of Directorships and Board-level committee positions held by them as at March 31, 2019 is tabulated hereunder.



Name	Category	No. of Board Meetings attended/held during 2018-19	Attendance at last AGM held on 15 th September, 2018	No. of directorship held in other public companies	Committee Position in other companies	
					Member	Chairman
Mr. Shilpan Patel	Managing Director	3/4	Present	-	-	-
Mr. Haresh Mehta	Independent	3/4	Present	-	-	-
Mr. Harish Mishra	Independent	4/4	Present	-	-	-
Mr. Neil Patel	Jt. Managing Director	3/4	Present	-	-	-
Ms. Aradhana Singh (appointed w.e.f. May 29, 2018)	Independent	3/4	Present	-	-	-
Mr. Dinesh Modi	Independent	4/4	Present	2	1	1
Mr. Dinkarray D Trivedi	Independent	3/4	Present	2	-	-

Notes:-

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

(d) Information to the Board

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

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

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

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

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

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

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

The details of remuneration paid to Directors during the year ended March 31, 2019 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	7,522	-	7,522	32,26,342
Mr. Haresh Mehta	-	190	190	6,800
Ms. Aradhana Singh (appointed w.e.f. May 29, 2018)	-	110	110	-
Mr. Harish Mishra	-	190	190	-
Mr. Neil Patel	7,522	-	7,522	4,19,810
Mr. Dinesh Modi	-	210	210	50
Mr. Dinkarray Trivedi	-	110	110	-



(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, 2019. 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 2018-19, the Independent Directors of the Company also met on February 09, 2019, *inter alia*, to discuss and carry out the evaluation of performance of (i) Non-Independent Directors and the Board of Directors of the Company as a whole, (ii) the evaluation of performance of the Chairman of the Company, and (iii) evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

Criteria for evaluation of independent directors:

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

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



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

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

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

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

III. BOARD COMMITTEE

Pursuant to SEBI Listing Regulations there were four Committees as on March 31, 2019 viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

(a) **Audit Committee**

As on March 31, 2019, the Audit Committee comprises four (4) Independent Directors and one (1) Executive Director. All Members of the Audit Committee possess accounting and financial management knowledge.

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

The Audit Committee met four times during the year, i.e. on May 29, 2018, August 02, 2018, November 03, 2018 and February 09, 2019. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days. The minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meetings, are tabulated hereunder



Name of the Member	Category	Position	No. of Meeting held	No. of Meeting attended
Mr. Harish Mishra	Independent Director	Chairman	4	4
Mr. Dinesh Modi	Independent Director	Member	4	4
Mr. Haresh Mehta	Independent Director	Member	4	3
*Mr. Dinkarray Trivedi (Appointed w. e. f. August 02, 2018)	Independent Director	Member	4	1
Mr. Neil Patel	Executive Director	Member	4	3

*The Audit Committee has been re-constituted at the Board meeting held on August 02, 2018, wherein Mr. Dinkarray Trivedi was appointed as a member in the Audit committee.

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, 2019, this Committee comprised three Independent Directors. They are Mr. Harish Mishra (Chairman), Mr. Dinesh Modi and Mr. Haresh Mehta.

This Committee met two times during the previous financial year i.e. on May 29, 2018, and February 09, 2019. 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, 2019, 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, 2019, 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	3
Mr. Dinesh Modi	Member	Independent	4	4
*Mr. Dinkarray D Trivedi (ceases to be member w.e.f August 02, 2018)	Member	Independent	4	2
Mr. Neil Patel	Member	Executive	4	3

*The Stakeholders Relationship / Grievance Redressal Committee has been re-constituted at the Board meeting held on August 02, 2018, wherein Mr. Dinkarray D Trivedi was ceases to be member in the committee.

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 May 29, 2018, and February 09, 2019.

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, 2019 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, 2019 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 Apla Mahanagar (Marathi) or 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 INFORMATION FOR SHAREHOLDERS

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

Financial Year	Date	Time	Venue
2017-2018	September 15, 2018	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
2016-2017	September 13, 2017	10.30 a.m.	
2015-2016	September, 27 2016	10.30 a.m.	

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

Date of A.G.M. / E.O.G.M.	Particulars of Special Resolution
March 29, 2019	To approve continuation of Mr. Dinkarray D Trivedi as a Director (Category - Non Executive Independent) of the Company.
September 15, 2018	To approve Related Party Transaction
September 13, 2017	1) Re-appointment of Mr. Shilpan P Patel as Managing Director of the Company. 2) Re-designation of Mr. Neil S Patel as Joint Managing Director of the Company. 3) To approve Related Party Transaction 4) To amend in the Memorandum of Association of the Company.

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

During the year 1(One) Special Resolution was passed through Postal Ballot procedures, on March 29, 2019, details of which are given below.

Special Resolutions	Votes cast in favour		Votes cast against		Date of Declaration of result
	No. of Votes	%	No. of Votes	%	
Approval for continuation of Mr. Dinkarray D Trivedi (DIN: 00380306) as a Director (Category- Non Executive, Independent) of the Company	19,99,066	97.07	60,325	2.93	March 29, 2019

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

(iv) Person who conducted the postal ballot exercise:

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

(v) Procedure for postal ballot:

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

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

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

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the website of the Company, www.arrowgreentech.com.

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

Time : 10.30 A.M.
Date : September 07, 2019
Venue : The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093

b) Last date for Receipt of Proxies : Thursday, September 05, 2019

c) Financial Calendar:

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

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2019 are as follows:

1st Quarter Results : by August 14, 2019
2nd Quarter Results : by November 14, 2019
3rd Quarter Results : by February 14, 2020
4th Quarter & Annual Results : Before May 30, 2020



d) **Date of Book Closure** : September 04, 2019 to
September 07, 2019 (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 2018-19 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 2018-19 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, 2018	408.50	315.45	408.00	315.65	35,213.30	32,972.56	10,759.00	10,111.30
May, 2018	345.00	222.55	345.95	222.10	35,993.53	34,302.89	10,929.20	10,417.80
June, 2018	211.45	98.60	211.00	98.80	35,877.41	34,784.68	10,893.25	10,550.90
July, 2018	192.80	76.40	193.20	76.60	37,644.59	35,106.57	11,366.00	10,604.65
August, 2018	219.95	125.00	212.95	124.00	38,989.65	37,128.99	11,760.20	11,234.95
September, 2018	148.30	108.05	147.00	107.45	38,934.35	35,985.63	11,751.80	10,850.30
October, 2018	130.40	91.00	131.30	90.00	36,616.64	33,291.58	11,035.65	10,004.55
November, 2018	116.95	87.60	113.90	85.25	36,389.22	34,303.38	10,922.45	10,341.90
December, 2018	133.90	82.55	134.60	78.15	36,554.99	34,426.29	10,985.15	10,333.85
January, 2019	121.95	91.55	123.75	92.55	36,701.03	35,375.51	10,987.45	10,583.65
February, 2019	99.90	72.30	101.00	73.00	37,172.18	35,287.16	11,118.10	10,585.65
March, 2019	82.80	70.35	81.00	73.00	38,748.54	35,926.94	11,630.35	10,817.00

* 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, 2019:

Sr. No	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	76,79,985	65.42
2.	Mutual Funds/UTI	2,26,887	1.93
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	5,626	0.05
4.	Venture Capital Funds	-	-
5.	Foreign Portfolio Investors	97,900	0.83
6.	Bodies Corporate	1,92,069	1.63
7.	Individuals		
	< Rs. 2 Lac	23,51,813	20.03
	> Rs. 2 Lac	5,51,914	4.70
8.	Clearing Member	62,317	0.54
9.	NRI	2,09,566	1.79
10.	Trust	-	-
11.	Overseas Corporate Bodies	1,76,626	1.50
12.	HUF	1,85,245	1.58
TOTAL		1,17,39,948	100.00

IX. The Distribution of Shareholding as at March 31 2019:

Slab of Shares Holding	Share Holders	%	Amount (₹)	%
1 - 500	8,607	89.13	93,41,890	7.96
501 - 1000	546	5.65	43,23,390	3.68
1001 - 2000	238	2.47	36,60,830	3.12
2001 - 3000	67	0.70	16,70,920	1.42
3001 - 4000	34	0.35	12,00,730	1.02
4001 - 5000	39	0.40	17,82,410	1.52
5001 - 10,000	63	0.65	45,46,020	3.87
10,001 - Above	63	0.65	9,08,73,290	77.41
Total	9,657	100.00	11,73,99,480	100.00

X. Dematerialization of shares and liquidity:

As on March 31, 2019 about 97.50% 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, 2019, is given below:

Category	No. of Shares	%
NSDL	88,71,720	75.57
CDSL	25,74,701	21.93
PHYSICAL	2,93,527	2.50
TOTAL	1,17,39,948	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.

Solitaire Corporate Park

Bldg. No 3, 7th Floor, Unit No 372

Guru Hargovindji Marg

Chakala, Andheri (East)

Mumbai 400 093.

Tel No. : 022 - 4074 9000

Fax No. : 022 - 4074 9099

Email: poonam@arrowgreentech.com

XV. Auditors' Certificate on Corporate Governance:

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

XVI. INVESTOR SAFEGUARDS AND OTHER INFORMATION:**(i) Revalidation of Dividend warrants:**

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

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

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

Financial Year	Type of Dividend	Dividend Per Share ₹	Date of Declaration	Due date for Transfer to IEPF	Amount remaining unclaimed / unpaid as on March 31, 2019 (₹ in 000')
31.03.2013	Final	0.75	Sep 28, 2013	Nov 03, 2020	160.85
31.03.2014	Final	1.50	Sep 29, 2014	Nov 04, 2021	424.66
31.03.2015	Final	2.50	Sep 29, 2015	Nov 04, 2022	643.56
31.03.2016	Interim	3.00	Feb 06, 2016	Mar 14, 2023	704.88
31.03.2016	Final	1.50	Sep 27, 2016	Nov 03, 2023	455.16
31.03.2017	Final	5.60	Sep 13, 2017	Oct 19, 2024	1,342.51
31.03.2018	Final	2.00	Sep 15, 2018	Oct 21, 2025	517.06

Members are further requested to note that after completion of 7 years, no claims shall lie against the said Protection 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: May 18, 2019

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: May 18, 2019

Sd/-
Shilpan P Patel
Chairman & Managing Director



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

To The Members of
Arrow Greentech Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 03, 2018.
2. We have examined the compliance of conditions of Corporate Governance by Arrow Greentech Limited ('the Company'), for the year ended on March 31, 2019, 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, 2019.
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 events 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

Place: Mumbai
Date: June 28, 2019

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To
The Members
ARROW GREENTECH LIMITED

We have examined the relevant registers, records forms, returns and disclosures received from the Directors of ARROW GREENTECH LIMITED having CIN : L21010MH1992PLC069281 and having registered office at Solitaire Corporate Park Bldg No 3, 7th Floor, Unit 372, Guru Hargovindji Marg, Chakala, Andheri (E) Mumbai-400 093 (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) 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, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr No	Name of the directors	DIN	Date of appointment in Company.
1	DINESH NAVNITLAL MODI	00004556	05/08/2014
2	SHILPAN PRAVIN PATEL	00341068	30/10/1992
3	HARESH CHHOTLAL 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.	ARADHANA SINGH	08141485	29/05/2018

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: May 18, 2019

**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, 2019, 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"), of the state of affairs of the Company as at March 31, 2019, 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.

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 period. 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 Board's Report and annexures thereto and Business Responsibility report but does not include the 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 during the course of our 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 specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period 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 Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of the written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, we give our separate report in "Annexure 2";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with 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 34 on Contingent Liabilities to the Standalone Ind AS Financial Statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 40 to the Standalone Ind AS Financial Statements; and
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 103523W /W100048

Snehal Shah

Partner
Membership No. 048539

Place : Mumbai
Date : May 18, 2019



ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Arrow Greentech Limited** ("the company") on the Standalone Ind AS Financial Statements for the year ended March 31, 2019]

- 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 as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company, except for the details given below:

Building	Total number of cases	Leasehold/ Freehold	Gross Block as on March 31, 2019 (₹ in '000)	Net Block as on March 31, 2019 (₹ in '000)
Office Building	1	Freehold	45	39

- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- iii. The Company has granted interest free loans, secured or unsecured, to company covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, 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 loan has not been stipulated and 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. Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of sections 73 to 76 of the Act and the rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under section 148(1) of the Act and the rules framed there under.
- vii. (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, customs duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year end for a period of more than six months from the date they became payable, except the following:

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



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

Name of the statute	Nature of dues	Amount (₹ in '000)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	VAT	2,839	2003-2004	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	442	2003-2004	Asst Commissioner of Sales Tax (Appeal), Mumbai
Maharashtra Value Added Tax Act, 2002	VAT	3,671	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	3,521	2004- 2005	Asst Commissioner of Sales Tax (Appeal), Mumbai
Maharashtra Value Added Tax Act, 2002	VAT	53,901	2007-2008	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	12,188	2007-2008	Asst Commissioner of Sales Tax (Appeal), Mumbai
Income Tax Act, 1961	Income Tax	6,888	2014-2015*	Asst Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	2,345	2015-2016*	Asst Commissioner of Income Tax
*Assessment Year				

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Snehal Shah

Partner

Membership No. 048539

Place: Mumbai

Date: May 18, 2019



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2019]

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, 2019 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, 2019, 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

Place: Mumbai

Date: May 18, 2019

**BALANCE SHEET AS AT MARCH 31, 2019**

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

Particulars	Notes	As at	
		March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,14,687	1,35,665
Capital work-in-progress	3	6,440	-
Intangible assets	3	15,661	18,285
Intangible assets under development	3	5,553	6,593
Investment Property	4	1,421	1,494
Investment in subsidiaries and associates	5	5,352	6,577
Financial assets			
(i) Investments	5	1,16,961	2,48,970
(ii) Loans	6	47,079	4,034
(iii) Other financial asset	7	1,597	1,926
Income tax assets (Net)	8	7,377	7,239
Other non - current assets	9	26,967	1,032
Total Non-current assets		3,49,095	4,31,815
Current assets			
Inventories	10	54,992	44,858
Financial assets			
(i) Trade Receivables	11	70,398	30,540
(ii) Cash and cash equivalents	12	30,200	7,400
(iii) Bank balances other than (ii) above	13	6,401	5,120
(iv) Loans	14	977	1,463
(v) Other financial assets	15	142	747
Other current assets	16	34,086	33,503
Total current assets		1,97,196	1,23,631
TOTAL ASSETS		5,46,291	5,55,446
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,17,399	1,17,399
Other Equity	18	3,61,257	3,83,023
Total Equity		4,78,656	5,00,422
Non-current liabilities			
Provisions	19	1,643	800
Deferred tax liabilities (Net)	32	3,625	6,475
Total Non current Liabilities		5,268	7,275
Current liabilities			
Financial liabilities			
(i) Trade payables	20		
- Total outstanding dues to Micro and Small Enterprises		291	69
- Total outstanding dues to others		30,528	22,726
(ii) Other financial liabilities	21	26,942	20,050
Provisions	22	1,333	2,340
Other current liabilities	23	3,273	2,564
Total current Liabilities		62,367	47,749
Total Liabilities		67,635	55,024
TOTAL EQUITY AND LIABILITIES		5,46,291	5,55,446
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements (1-44)

As per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 18, 2019

**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, 2019

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

Particulars	Notes	Year ended	
		March 31, 2019	March 31, 2018
INCOME			
Revenue from operations	24	4,34,011	3,88,827
Other Income	25	76,900	1,02,492
TOTAL INCOME		5,10,911	4,91,319
EXPENSES			
Cost of raw materials consumed	26	36,669	34,575
Purchase of stock-in-trade		2,29,766	69,740
Change in inventory of finished goods, work-in-progress and stock in trade	27	(6,293)	(22,287)
Excise duty on sales		-	1,453
Employee benefits expense	28	87,226	70,661
Depreciation and amortisation expense	3	34,084	40,314
Other expenses	29	1,19,321	1,15,556
TOTAL EXPENSES		5,00,773	3,10,012
Profit before tax		10,138	1,81,307
Income tax expense			
Current Tax	32	11,010	32,276
Deferred Tax	32	(2,773)	(2,442)
Total tax expense		8,237	29,834
Profit after tax		1,901	1,51,473
<u>Other comprehensive income not to be reclassified to profit or loss :</u>			
Re-measurement gains/ (losses) on defined benefit plans		(265)	(375)
Income tax relating to the above items		77	109
Other comprehensive income for the year, net of tax		(188)	(266)
Total comprehensive income for the year, net of tax		1,713	1,51,207
Earnings per equity share (₹)			
Basic and Diluted [Nominal value of the shares ₹ 10 (March 31, 2018 : ₹ 10)]	33	0.16	12.90

The accompanying notes are an integral part of these financial statements (1-44)

As per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 18, 2019

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Poonam Bansal
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2019

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

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Operating activities		
Profit before tax	10,138	1,81,307
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation	34,084	40,314
Fair value gain on non-current investments	3,824	(953)
Impairment Loss on Investment in subsidiaries and Associates	-	2,295
Provision For Doubtful Debt	2,492	1,212
Provision For Doubtful Advances	649	146
Sundry balance written-off	-	12
Unrealised Foreign Exchange gain	(453)	(172)
Net gain on sale of Long term investments	(6,293)	(3,283)
Interest income	(1,766)	(1,275)
Gain on Forward Contract	10	-
Dividend Income	(65,851)	(93,653)
	(23,166)	1,25,950
Working capital adjustments:		
Decrease/ (Increase) in Loans and Advances	(42,568)	(1,730)
Decrease/ (Increase) in non-current assets	(26,584)	110
Decrease / (Increase) in trade receivables	(42,389)	(14,079)
Decrease/ (Increase) in current assets	(593)	(14,761)
Decrease/ (Increase) in Inventories	(10,134)	(25,545)
Increase/ (Decrease) in provisions	(429)	2,003
Increase/ (Decrease) in trade payables	8,515	2,311
Increase/ (Decrease) in other financial Liabilities	6,892	(7,138)
Increase/ (Decrease) in other Liabilities	709	(914)
	(1,29,746)	66,206
Income tax paid	(11,148)	(32,065)
Net Cash Flow from operating activities	(A)	34,141
Investing activities		
Purchase of Fixed assets including CWIP	(15,810)	(26,432)
Purchase of Long term investments	1,225	(4,975)
Purchase of mutual fund investment, net	1,34,478	(58,869)
Investments in Bank deposits	(952)	3,358
Dividend Received	66,435	91,073
Interest Received	1,797	1,311
Net cash flows from investing activities	(B)	5,467
Financing activities:		
Dividend paid, including dividend tax	(23,479)	(64,427)
Net cash (used in) financing activities	(C)	(64,427)
Net Increase / (Decrease) In Cash And Cash Equivalents	(A+B+C)	(24,820)
Effect of exchange difference on Cash and Cash Equivalents		
Cash and Cash equivalents at the beginning of the year	7,400	32,220
Cash and Cash equivalents at the end of the year (refer note - 12)	30,200	7,400

Notes:

Above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow"
The accompanying notes are integral part of the Financial Statement (1-44)

As per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 18, 2019

**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, 2019

(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, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning	1,17,39,948	1,17,399	1,17,39,948	1,17,399
Changes in equity share capital during the year	-	-	-	-
Balance at the end	1,17,39,948	1,17,399	1,17,39,948	1,17,399

b. Other Equity

	Attributable to owners				
	Reserves and Surplus				
	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total
Balance at March 31, 2017	29,199	8,218	200	2,59,944	2,97,561
Profit for the year	-	-	-	1,51,473	1,51,473
Other comprehensive income (net of tax)	-	-	-	(266)	(266)
Total comprehensive income for the year	-	-	-	1,51,207	1,51,207
Transactions with owners of company					
Cash dividends	-	-	-	(65,746)	(65,746)
Balance at March 31, 2018	29,199	8,218	200	3,45,406	3,83,023
Profit for the year	-	-	-	1,901	1,901
Other comprehensive income (net of tax)	-	-	-	(188)	(188)
Total comprehensive income for the year	-	-	-	1,713	1,713
Transactions with owners of company					
Cash dividends	-	-	-	(23,479)	(23,479)
Balance at March 31, 2019	29,199	8,218	200	3,23,640	3,61,257

The accompanying notes are an integral part of these financial statements (1-44)

As per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 18, 2019

**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, 2019

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

1. Corporate Information

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

2. Significant accounting policies

A Basis of accounting and preparation of Financial Statements:

Compliance with Indian Accounting Standards (Ind AS):

- a) These Standalone Ind AS Financial Statements ("Financial Statements") of the Company, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") as notified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These Financial Statements were authorized for issue by the Company's Board of Directors on May 18, 2019.

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 38)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 34)
- Estimation of tax expenses and liability (Refer note 8 & 32)
- Useful lives of property, plant, equipment and intangibles (Refer note 3)
- Impairment of financial assets such as trade receivables (Refer note 41)

B Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Company has adopted Ind AS 115 using the modified retrospective approach. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

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



Notes to the financial statements for the year ended March 31, 2019

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.

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



Notes to the financial statements for the year ended March 31, 2019

where such assets are not yet ready for their intended use.

iv) Capital work in Progress

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

D Investment Property

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

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

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

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

E Research and Development Cost:

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

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

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

F Impairment of Assets:

i) Financial assets

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

ii) Non Financial Assets:

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

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

G Investment in subsidiaries and associates

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments



Notes to the financial statements for the year ended March 31, 2019

are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the long term investments.

H Inventories:

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

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

I Employee Benefits

i) Short-term obligations

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

ii) Other long-term employee benefit obligations

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

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

iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Benefit Plans - Gratuity obligations

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

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

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

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



Notes to the financial statements for the year ended March 31, 2019

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):

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

Leases of property, plant and equipment where the Company, as lessee, in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss as per the terms of the lease or on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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 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").

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



Notes to the financial statements for the year ended March 31, 2019

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

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

M Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing:

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

N Provisions

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

O Contingent Liabilities

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

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



Notes to the financial statements for the year ended March 31, 2019

entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

R Derivatives and hedging activities

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

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

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

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

(ii) Derivatives that are not designated as hedges

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

S Financial instruments

a. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Derecognition

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

b. Financial assets

Initial recognition and measurement

Trade Receivables are initially recognised when they are originated. 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.



Notes to the financial statements for the year ended March 31, 2019

i) Financial assets amortised at cost

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

ii) Financial assets at fair value through other comprehensive income

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

iii) Financial assets at fair value through profit or loss

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

Equity investments

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

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

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

Derecognition

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

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

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

T Current–non-current classification

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

Assets

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

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

**Notes to the financial statements for the year ended March 31, 2019**

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

All other assets are classified as non-current.

Liabilities

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

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

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

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

U Operating cycle

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

V Recent Accounting Pronouncements

Standards issued but not yet effective In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from April 1, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

Ind AS 116, Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Under IND AS 116, at commencement date, a lessee will recognise a liability to make lease payments i.e a lease liability and an asset representing the right to use the underlying asset during the lease term i.e the right of use asset. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Company is currently evaluating the impact on account of implementation of IND AS 116 and on preliminary assessment the Company does not expect any significant impact on account of implementation INDAS 116.

Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company will apply these amendments for annual reporting periods beginning on or after April 1, 2019. The impact on the Financial Statements is being evaluated.

Other Amendments:

Amendments to Ind AS 103, Business Combinations

Amendments to Ind AS 109, Financial Instruments

Amendments to Ind AS 19, Employee Benefits

Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on the preliminary assessment, the Company does not expect these amendments to have any significant impact on its Financial Statements.



Notes to the financial statements for the year ended March 31, 2019
(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, 2017	Additions during the year	Disposal during the year	As at April 01, 2017	Charge for the year	Disposal during the year	As at March 31, 2018	At March 31, 2017	At March 31, 2018
A Property, plant and equipment									
Leasehold Land	3,117	-	-	25	36	-	61	3,092	3,056
Factory Building	27,864	2,581	-	401	2,987	-	3,388	27,463	27,057
Plant and Equipment	1,24,700	12,027	-	8,805	32,150	-	40,955	1,15,895	95,772
Furniture and Fixtures	958	2,206	-	185	345	-	530	773	2,634
Electrical Installation	2,295	544	(31)	10	667	-	677	2,285	2,131
Laboratory Equipment	181	-	(135)	46	-	-	46	135	-
Vehicles	3,458	430	-	1,033	722	-	1,755	2,425	2,133
Office Equipment	930	1,186	-	303	450	-	753	627	1,363
Computer	1,625	1,603	-	657	1,093	-	1,750	968	1,478
Office Building (Refer note 1 below)	45	-	-	2	2	-	4	43	41
Total A	1,65,173	20,576	(166)	11,467	38,451	-	49,918	1,53,706	1,35,665
B Capital work-in-progress									
	116	-	(116)	-	-	-	-	116	-
Total B	116	-	(116)	-	-	-	-	116	-
C Intangible assets									
Patent rights	9,730	11,336	-	995	1,786	-	2,781	8,735	18,285
Total C	9,730	11,336	-	995	1,786	-	2,781	8,735	18,285
D Intangible assets under development									
Patent rights	11,449	4,061	(11,336)	-	-	-	-	11,449	4,173
Product Development	-	1,143	-	-	-	-	-	-	1,143
Software development	339	937	-	-	-	-	-	339	1,276
Total D	11,788	6,141	(11,336)	-	-	-	-	11,788	6,593
Total (A+B+C+D)	1,86,807	38,053	(11,618)	12,462	40,237	-	52,699	1,74,345	1,60,543

Note :

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



Notes to the financial statements for the year ended March 31, 2019

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

4 Investment Property

	Gross carrying amount		Accumulated depreciation / amortisation			Net block	
	Carrying amount as at April 01, 2018	Additions during the year	Disposal during the year	As at April 01, 2018	Charge for the year	Disposal during the year	As at March 31, 2019
Guest House	1,651	-	-	157	73	-	1,494
Total	1,651	-	-	157	73	-	1,421

	Gross carrying amount		Accumulated depreciation / amortisation			Net block	
	Carrying amount as at April 01, 2017	Additions during the year	Disposal during the year	As at April 01, 2017	Charge for the year	Disposal during the year	As at March 31, 2018
Guest House	1,651	-	-	80	77	-	1,571
Total	1,651	-	-	80	77	-	1,494

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

	As at March 31, 2019	As at March 31, 2018
Depreciation	73	77
Profit / (loss) from investment property	(73)	(77)
(ii) Fair value		
Investment property #	2,550	2,550

Estimation of Fair value

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


Notes to the financial statements for the year ended March 31, 2019

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

5 Non-current Investments

	As at			
	March 31, 2019		March 31, 2018	
	Nos.	Amount	Nos.	Amount
<u>Investment in Equity instruments of subsidiaries (Unquoted) (Fully paid up) (Trade)</u>				
Investment in Arrow Green Technologies (UK) Limited of face value £1 each (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) (P.Y. 100% holding)	1,27,499	1,275	2,49,999	2,500
		5,352		6,577
* Pursuant to board resolution dated August 02, 2018 company sold 1,22,500 shares (49% Stake) of its wholly owned subsidiary LQ Arrow Security Products (India) Private Limited				
<u>Investment in Equity instruments of Associates (Unquoted) (Fully paid up) (Trade)</u>				
Investment in SP Arrow Bio-Polymer Products Private Limited of face value ₹ 10 each (46% holding)	4,600	-	4,600	-
Investment in Sphere Bio-Polymers Private Limited of face value ₹ 10 each (49% holding)	4,900	-	4,900	-
		5,352		6,577
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		5,352		6,577
Aggregate amount of impairment in the value of investments		-		-
5 Investments				
<u>In Equity Instruments (Unquoted), (Fully Paid). Non-Trade, at Fair value through Profit or Loss</u>				
Shamrao Vithal Co- operative Bank Equity Shares of ₹ 25 each	300	9	300	9
Equity Shares of ₹ 10 each	100		100	
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		1,16,952		2,48,961
		1,16,961		2,48,970
Aggregate amount of quoted investments and market value thereof		1,16,952		2,48,961
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, 2019

(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, 2019		March 31, 2018	
	Units	Amount	Units	Amount
Aventus Absolute Return Fund	-	-	-	10,494
HDFC Corp Debt Opportunities Fund-Regular *	26,87,329	40,995	26,87,329	38,727
HDFC Short Term Plan - Monthly Dividend	-	-	8,27,284	8,598
HDFC TOP 200 Fund-Dividend	-	-	1,10,166	5,226
ICICI Prudential Equity Income Fund Regular Plan **	29,18,288	33,298	29,18,288	33,123
ICICI Prudential Savings Fund - Daily Dividend	2,91,855	30,872	8,24,079	87,182
ICICI Prudential Equity Arbitrage Fund- Dividend	-	-	7,27,453	9,922
ICICI Prudential Value Discovery Fund- Dividend	4,44,950	11,787	3,94,938	11,366
IDFC Corporate Bond Fund Regular Plan - Growth	-	-	9,52,962	11,329
IDFC SSIF - Short Term - Plan A - Monthly Dividend Payout	-	-	7,39,331	7,539
Reliance Regular Savings Fund-Debt Plan- Growth Plan Growth Option	-	-	4,70,568	11,391
Motilal Oswal Most Focused Multicap 35 Fund- Regular Dividend Reinvestments	-	-	5,81,428	14,064
		1,16,952		2,48,961

* Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2018-19 and FY 2017-18

** Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2017-18

	As at	
	March 31, 2019	March 31, 2018
6 Loans		
<u>Unsecured, considered good</u>		
Security deposits - Others	3,559	3,234
Loan to Employees	340	800
Loan to Subsidiary (Refer note 39)	43,180	-
	47,079	4,034
7 Other financial assets		
Fixed deposits with Bank (maturity more than 12 months) *	1,597	1,926
	1,597	1,926
*Held as lien by bank against bank guarantee/Security Deposit of March 31, 2019 ₹ 1,597 March 31, 2018 ₹ 903		
8 Income tax assets (Net)		
Advance Income Tax (Net of Provision for Taxation of Mar 31, 2019 ₹ 140,920 March 31, 2018 ₹ 112,626)	7,377	7,239
	7,377	7,239


Notes to the financial statements for the year ended March 31, 2019

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

	As at	
	March 31, 2019	March 31, 2018
9 Other non-current assets		
Unsecured, considered good		
Capital advances	26,767	862
Prepaid expenses	200	170
	26,967	1,032
10 Inventories		
<u>Raw materials and components:</u>		
Polyvinyl Alcohol	10,432	6,805
Chemicals	1,200	907
Others	616	560
Total	12,248	8,272
<u>Work in progress:</u>		
Water Soluble Films	11,821	16,963
<u>Finished goods:</u>		
Water Soluble Films	9,102	6,825
<u>Stock in trade</u>		
Cleaning products	15,410	12,239
Bioplast	5,988	-
	21,398	12,239
Stores and spares	423	560
	54,992	44,858
11 Trade Receivables		
<u>Unsecured</u>		
Dues from subsidiaries, considered good (Refer note 39)	4,194	-
Dues from other trade receivables considered good	66,204	30,540
Dues from other trade receivables considered doubtful	4,389	1,897
Less: Impairment allowance	(4,389)	(1,897)
	70,398	30,540
Note: Trade receivable are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts		
12 Cash and cash equivalents		
<u>Balance with bank:</u>		
On current accounts	7,436	7,221
Deposits with original maturity of less than 3 months	22,500	125
Cash on hand	264	54
	30,200	7,400


Notes to the financial statements for the year ended March 31, 2019

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

	As at	
	March 31, 2019	March 31, 2018
13 Bank balances other than cash and cash equivalents		
Unclaimed Dividend Account	4,249	3,735
Deposits with maturity of more than 3 months but less than 12 months **	2,152	1,385
	6,401	5,120
**Held as lien by bank against bank guarantee of March 31, 2019 ₹ 1775, March 31, 2018 Nil		
14 Loans		
<u>Unsecured, considered good</u>		
Security deposits - Others	126	109
Loan to Employees	851	1,354
	977	1,463
15 Other financial assets		
Unsecured, considered good		
Dividend receivable	-	584
Interest accrued on deposits with bank	132	163
Derivative Assets	10	-
	142	747
16 Other current assets		
Unsecured, considered good unless stated otherwise		
Advance to suppliers		
Considered Good	2,193	431
Considered Doubtful	2,199	1,550
Less Provision for Doubtful Advance	(2,199)	(1,550)
	2,193	431
Prepaid expenses	949	4,683
Advance to employees	1,028	701
Balance with Government authorities	29,914	27,688
	34,084	33,503


Notes to the financial statements for the year ended March 31, 2019

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

17 Equity share capital
a) Equity share capital

	As at March 31, 2019		As at March 31, 2018	
	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	1,17,39,948	1,17,399	1,17,39,948	1,17,399

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

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,17,39,948	1,17,399	1,17,39,948	1,17,399
Outstanding at the end of the year	1,17,39,948	1,17,399	1,17,39,948	1,17,399

c) Terms /Rights attached to Equity shares

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

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

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

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Private Limited	11,96,014	10%	11,96,014	10%
Jigisha S. Patel	15,18,503	13%	15,18,503	13%
Shilpan P. Patel	32,26,342	27%	32,26,342	27%
Shilpan Patel (HUF)	8,99,316	8%	8,99,316	8%
	68,40,175	58%	68,40,175	58%


Notes to the financial statements for the year ended March 31, 2019

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

	As at	
	March 31, 2019	March 31, 2018
18 Other Equity		
General Reserve	18 (i) 200	200
Capital reserve	18 (ii) 8,218	8,218
Securities premium reserve	18 (iii) 29,199	29,199
Retained earnings	18 (iv) 3,23,640	3,45,406
	3,61,257	3,83,023
Reserves and surplus		
<u>General reserve</u>		
Balance at the beginning of the year	200	200
Movement during the year	-	-
Balance as at the year end	200	200
<u>Capital reserve</u>		
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
<u>Securities premium reserve</u>		
Balance at the beginning of the year	29,199	29,199
Movement during the year	-	-
Balance as at the year end	29,199	29,199
<u>Retained earnings</u>		
Opening Balance at the beginning of the year	3,45,406	2,59,944
Add : Profit for the year	1,901	1,51,473
Less : Dividend paid	(23,479)	(65,746)
Items that will not be reclassified to profit or loss :		
- Remeasurement of defined benefit obligation net of taxation	(188)	(266)
Balance as at the year end	3,23,640	3,45,406
	3,61,257	3,83,023
Proposed dividend on equity shares not recognised		
Final dividend for the year ended ₹ 0.50 per share (PY ₹ 2 per share)	5,870	23,480
Dividend distribution tax on proposed dividend	1,207	4,780
	7,077	28,260

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, 2019

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

	As at	
	March 31, 2019	March 31, 2018
19 Provisions		
Provision for employee benefits (Refer note 38)		
Leave encashment (un funded)	1,643	800
	1,643	800
20 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	291	69
Total outstanding dues to others	30,528	22,726
	30,819	22,795
21 Other financial liabilities		
Unclaimed Dividend ^	4,246	3,732
Employee Benefits Payable	2,871	2,857
Outstanding liability for expenses	4,295	1,507
Trade payable for capital goods (other than small and medium enterprises)		
- Dues to subsidiary (Refer note 39)	5,438	-
- Dues to others	10,092	11,954
	26,942	20,050
^ There are no unpaid dividend which is required to be transferred to Investor Education & Protection Fund		
22 Provisions		
Provision for employee benefits (Refer note 38)		
- Gratuity (funded)	750	2,072
- Leave encashment (un funded)	583	268
	1,333	2,340
23 Other current liabilities		
Statutory Dues Payable	2,199	1,923
Advances from customers	1,072	641
	3,271	2,564


Notes to the financial statements for the year ended March 31, 2019

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

	Year ended	
	March 31, 2019	March 31, 2018
24 Revenue from operations		
<u>Sale of products (including excise duty net of sales return)</u>		
Finished goods	96,453	67,263
Traded goods	2,32,703	76,253
<u>Services rendered</u>		
Royalty Income - Patent (Refer Note 39)	1,04,754	2,39,140
Consulting Income	-	6,000
<u>Other Operating Revenue</u>		
Sale of scrap	100	172
Revenue from Operations	4,34,011	3,88,827
Detail of Sale of Products / Services		
<u>Finished goods sold</u>		
Water Soluble Films	96,453	67,263
	96,453	67,263
<u>Traded goods sold</u>		
Cleaning Products	11,227	10,335
Other Business	2,21,476	65,918
	2,32,703	76,253
Goods and Service Tax (GST) has been effective from July 1, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of product' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sales of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products' and 'Revenue from operations' for the year ended March 31, 2019 are not comparable with those of the previous year		
25 Other Income		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	5,241	8,377
From Non-current Equity instruments in Subsidiaries measured at cost	60,610	85,276
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	199	1,040
On Loans and Deposits	1,567	235
Foreign Exchange Gain (net)	1,437	1,741
Net Gain on Sale of non-current Investments in Mutual Fund	6,293	3,283
Miscellaneous Income	1,307	1,587
Gain on Forward Contract	10	-
Net Gain on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through Profit and Loss	-	953
Service Fee	236	-
	76,900	1,02,492
26 Cost of raw materials consumed		
Inventory at the beginning of the year	8,272	4,545
Add: Purchases	40,645	38,302
Less: Inventory at the end of the year	12,248	8,272
	36,669	34,575


Notes to the financial statements for the year ended March 31, 2019

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

	Year ended	
	March 31, 2019	March 31, 2018
27 Change in inventory of finished goods, work-in-progress and stock in trade		
<u>Inventories at the end of the year</u>		
Stock In Trade	21,398	12,239
Work-in-progress	11,821	16,963
Finished goods	9,102	6,825
<u>Inventories at the beginning of the year</u>		
Stock In Trade	12,239	4,885
Work-in-progress	16,963	2,935
Finished goods	6,825	5,919
	(6,293)	(22,287)
28 Employee benefits expense		
Salary, Wages and Bonus	80,718	62,734
Contribution to Provident and other funds (Refer note 38)	2,314	2,106
Gratuity and Leave Encashment (Refer note 38)	2,140	3,646
Staff welfare expenses	2,054	2,175
	87,226	70,661
29 Other expenses		
Consumption of stores and spares	2,446	3,072
Repair and Maintenance - Building	626	851
Repair and Maintenance - Machinery	1,123	1,012
Repair and Maintenance - Other	1,838	2,165
Rent (Refer note 35)	5,073	5,044
Insurance	646	413
Power and Fuel	22,956	22,940
Labour Charges	5,618	5,910
Factory Expenses	2,273	1,742
Selling and Promotion Expenses	1,491	4,741
Freight and Forwarding	6,094	4,963
Lease Rent and Hire Charges (Refer note 35)	11,019	10,699
Postage and Telephone Expenses	1,907	2,335
Printing and Stationery	1,161	1,099
Travelling and Conveyance	22,394	17,585
Legal and Professional Charges	11,472	12,424
Impairment Loss on Investment in subsidiaries and Associates	-	2,295
Patent Charges	4,724	2,293
Donations	500	4,500
Provision For Advances	649	146
Provision For Doubtful debts	2,492	1,212
Payment to Auditors (exclusive of service tax & GST) (Refer note no 30)	1,549	1,408
Corporate Social Responsibility Expense (Refer note no 31)	2,100	2,461
Bank Charges	484	624
Net Loss on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through Profit and Loss	3,824	-
Sundry Balances written off	-	12
Miscellaneous Expenses	4,862	3,610
	1,19,321	1,15,556


Notes to the financial statements for the year ended March 31, 2019

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

	Year ended	
	March 31, 2019	March 31, 2018
30 Payment to Auditors (exclusive of service tax & GST)		
As auditor		
Auditors Remuneration	950	800
Tax audit fees	200	200
Limited review fees	300	300
<u>Other Capacity</u>		
Other services (Certification fees)	80	95
Reimbursement of expenses	19	13
	1,549	1,408
31 Corporate Social Responsibility Expense		
<u>Gross amount required to be spent during the year</u>		
Corporate Social Responsibility Expense	2,466	2,505
<u>Amount spent during the year (paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	2,100	2,461
<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	-	-
	2,100	2,461
32 Income taxes		
a. Income tax expense is as follows:		
Statement of Profit and Loss		
Current tax:		
Tax for the year	11,010	32,276
Adjustments for current tax of prior periods	-	-
Total current tax expense	11,010	32,276
Deferred tax:		
Deferred tax expenses	(2,773)	(2,442)
Total deferred tax expense	(2,773)	(2,442)
Income tax expense	8,237	29,834
Other comprehensive income		
Deferred tax related to OCI items:		
Net loss on remeasurements of defined benefit plans	77	109
	77	109


Notes to the financial statements for the year ended March 31, 2019

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

b. Reconciliation of effective tax rate

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

	Year ended			
	March 31, 2019		March 31, 2018	
Profit before tax		10,138		1,81,307
Tax at the Indian tax rate	29.12%	2,952	28.84%	52,289
Tax effects on amounts which are not deductible (taxable) in calculating taxable income				
Tax effect of:				
Differences in tax rates in respect of royalty income	0.00%	-	9.35%	16,957
Differences in tax rates in respect of dividend from foreign subsidiary & Short term capital gain on sale of Mutual Fund	115.31%	11,689	8.45%	15,321
Non-deductible expenses	-18.64%	(1,889)	0.33%	607
Exempt income	-15.05%	(1,526)	-1.33%	(2,416)
Others	-0.60%	(61)	-0.35%	(634)
	81.25%	8,237	16.45%	29,834

c. Deferred Tax Liabilities (net)
(i) Movement in deferred tax liabilities for the year ended March 31, 2019

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

(ii) Movement in deferred tax liabilities for the year ended March 31, 2018

	Net balance March 31, 2017	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2018
Property, plant and equipment	6,730	(2,065)	-	4,665
Fair valuation of investments in mutual fund	3,441	256	-	3,697
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	(1,321)	(779)	(109)	(2,209)
Others	176	146	-	322
	9,026	(2,442)	(109)	6,475


Notes to the financial statements for the year ended March 31, 2019

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

	Year ended	
	March 31, 2019	March 31, 2018
33 Earnings Per Share		
Calculation of basic and diluted Earnings per share is as follows:		
Profit for the year attributable to Owners of the Company	1,901	1,51,473
Weighted average number of equity shares		
- Basic	1,17,39,948	1,17,39,948
- Diluted	1,17,39,948	1,17,39,948
Earnings per share (in ₹)		
- Basic	0.16	12.90
- Diluted	0.16	12.90

	As at	
	March 31, 2019	March 31, 2018
34 Contingent liabilities and Commitments		
<u>Contingent Liabilities</u>		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 349 (Previous year: ₹ 349))	76,910	81,063
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 1,304 (Previous year: ₹ 1,304))	10,537	10,537
(c) Bank Guarantees given	10,291	6,340
	97,738	97,940

35 Leases

The Company has entered into operating lease agreements for the rental of its office premises for a period of 3 to 5 years as defined in the Indian Accounting Standard 17 and there are no restrictions imposed by the lease arrangements. Significant terms of lease agreement are :

- No transfer of ownership on termination of lease
- No compensation for transfer on termination of lease

Lease rental expenses recognized in the Statement of Profit and Loss in respect of operating leases for the year and the lease rentals payable (minimum lease payments) for non-cancellable operating lease are as follows:

	As at	
	March 31, 2019	March 31, 2018
Lease rent expenses for the year *	16,092	15,743
<u>Minimum lease payments</u>		
(a) Due within one year	7,167	8,548
(b) Due later than one year and not later than five years	2,566	6,791
(c) Due later than five years	-	-

*Lease Rent Expenses for March 31, 2019 include Rent on Machinery and Amortization of expenses of ₹ 11,019 (PY ₹ 10,699)

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



Notes to the financial statements for the year ended March 31, 2019

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

37 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, 2019	March 31, 2018
Principal amount remaining unpaid at the end of the year	291	69
Interest due thereon	19	-
Interest remaining accrued and unpaid at the end of the year	19	-
Total Interest accrued and remained unpaid at year end	19	-

38 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, 2019	March 31, 2018
Employer's Contribution to Provident Fund	1,943	1,728
Employer's Contribution to Employees State Insurance Corporation	371	378

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, 2019	March 31, 2018
Opening defined benefit obligation	5,380	1,743
Benefits paid	(97)	-
Current service cost	509	349
Interest cost	419	129
Past service cost	-	2,809
Actuarial losses / (gain) recognized in other comprehensive income		
changes in financial assumptions	4	(127)
experience adjustments	215	477
Closing defined benefit obligation	6,429	5,380


Notes to the financial statements for the year ended March 31, 2019

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

Reconciliation of the fair value of plan assets:

	Year ended	
	March 31, 2019	March 31, 2018
Opening fair value of plan assets	3,308	2,147
Interest Income	257	159
Employer contributions	2,257	1,027
Benefits paid	(97)	-
Actuarial gains on Plan Assets	(45)	(25)
Closing fair value of plan assets	5,679	3,308

Balance sheet reconciliation

	As at	
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	5,380	1,743
Opening fair value of plan assets	(3,308)	(2,147)
Expenses recognised in profit and loss	670	3,128
Expenses recognised in Other Comprehensive Income	265	375
Employer contributions	(2,257)	(1,027)
Net (Asset) / Liability recognised in the Balance Sheet	750	2,072

Expenses recognised in Statement of Profit and Loss:

	Year ended	
	March 31, 2019	March 31, 2018
Current service cost	509	349
Interest cost	161	(30)
Past Service Cost	-	2,809
	670	3,128

Remeasurements recognised in other comprehensive income

	Year ended	
	March 31, 2019	March 31, 2018
Actuarial (gain) loss on defined benefit obligation	219	350
Return on plan assets excluding interest income	45	25
	265	375

Analysis of plan assets

	As at	
	March 31, 2019	March 31, 2018
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	100%	100%


Notes to the financial statements for the year ended March 31, 2019

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

Maturity profile of defined benefit obligation

	As at	
	March 31, 2019	March 31, 2018
1 Year	2,194	2,280
2 to 5 years	986	665
6 to 10 years	1,853	1,411
More than 10 years	8,025	6,283

Actuarial assumption

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

	As at	
	March 31, 2019	March 31, 2018
Discount Rate (p.a.)	7.77%	7.78%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected rate of return on assets	7.77%	7.78%
Attrition rate	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, 2019	March 31, 2018
Projected Benefit Obligation on Current Assumptions	6,429	5,380
Discount Rate: 1% increase	(383)	(293)
Discount Rate: 1% decrease	445	342
Future salary growth: 1% increase	301	257
Future salary growth: 1% decrease	(264)	(239)
Change in Rate of Employee Turnover : 1% Increase	167	139
Change in Rate of Employee Turnover : 1% Decrease	(191)	(160)


Notes to the financial statements for the year ended March 31, 2019

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

Expected Contribution

	Year ended	
	March 31, 2019	March 31, 2018
Prescribed Contribution	1,473	2,581

iii) Compensated absences

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

	As at	
	March 31, 2019	March 31, 2018
Compensated absences liability	2,226	1,068
Actuarial assumption		
Discount rate	7.77%	7.78%
Long-term rate of compensation increase	5.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 1,470 (PY ₹ 518)

39 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
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, 2019

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

b) Transaction with Related Parties & Outstanding Balance as on March 31, 2018 and March 31, 2019 :

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<u>Arrow Green Technologies (UK) Limited</u>				
Royalty Income - Patent	59,209	1,63,020	-	-
Sale of Finished Goods	7,606	1,925	455	-
<u>Advance IP Technologies Limited</u>				
Royalty Income - Patent	45,545	76,121	-	-
Purchase of Machinery	5,388	-	(5,438)	-
<u>Avery Pharmaceuticals Private Limited</u>				
Loan given to Avery Pharmaceuticals Private Limited	47,000	-	42,000	-
Loan re-paid by Avery Pharmaceuticals Private Limited	5,000	-	-	-
Interest on Loan given	1,180	-	1,180	-
Sale of Product Development	3,503	-	3,503	-
Sale of Services	236	-	236	-
Reimbursement of Expenses	-	94	-	-
<u>Mr. Shilpan P. Patel</u>				
Rent Expenses	1,080	960	(745)	(311)
<u>Arrow Convertors Private Limited</u>				
Rent Expenses	540	540	-	-
<u>Investment in subsidiaries</u>				
Arrow Green Technologies (UK) Limited	-	-	1,602	1,602
Avery Pharmaceuticals Private Limited	-	2,475	2,475	2,475
LQ Arrow Security Products (India) Private Limited	-	2,500	1,275	2,500
<u>Impairment Loss on Investment in subsidiary</u>				
Arrow Secure Technology Private Limited	-	2,200	-	-
<u>Impairment Loss on Investment in Associates</u>				
SP Arrow Bio Polymer Products Private Limited	-	46	-	-
Sphere Bio Polymer Private Limited	-	49	-	-
<u>Remuneration to Key Managerial Personnel & Relatives</u>				
Mr. Shilpan P. Patel - Managing Director	7,500	7,500	-	-
Mr. Neil Patel - Joint Managing Director	7,500	7,500	-	-
Mr. Hitesh Punglia - Chief Financial Officer	4,941	4,121	-	-
Mrs. Poonam Bansal - Company Secretary	975	845	-	-
Mrs. Jigisha S Patel	741	681	-	-
Mrs. Manisha Sindhi	200	-	-	-



Notes to the financial statements for the year ended March 31, 2019

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

40 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, 2018	Carrying value			Fair value			
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Financial assets:								
Non Current Financial Assets								
	Investments	-	2,48,970	-	2,48,970	2,48,970	-	-
	Loans	4,034	-	-	4,034	-	-	-
	Other financial asset	1,926	-	-	1,926	-	-	-
Current Financial Assets								
	Trade Receivables	30,540	-	-	30,540	-	-	-
	Cash and cash equivalents	7,400	-	-	7,400	-	-	-
	Bank balances other than Cash and cash equivalents	5,120	-	-	5,120	-	-	-
	Loans	1,463	-	-	1,463	-	-	-
	Other financial assets	747	-	-	747	-	-	-
	Total	51,230	2,48,970	-	3,00,200	2,48,970	-	-
Financial liabilities:								
	Trade payables	22,795	-	-	22,795	-	-	-
	Other financial liabilities	20,050	-	-	20,050	-	-	-
	Total	42,845	-	-	42,845	-	-	-


Notes to the financial statements for the year ended March 31, 2019

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

B	As at March 31, 2019	Carrying value			Fair value		
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2
Financial assets:							
Non Current Financial Assets							
Investments	-	1,16,961	-	1,16,961	1,16,961	-	-
Loans	47,079	-	-	47,079	-	-	-
Other financial asset	1,597	-	-	1,597	-	-	-
Current Financial Assets							
Trade Receivables	70,398	-	-	70,398	-	-	-
Cash and cash equivalents	30,200	-	-	30,200	-	-	-
Bank balances other than Cash and cash equivalents	6,401	-	-	6,401	-	-	-
Loans	977	-	-	977	-	-	-
Other financial assets	142	-	-	142	-	-	-
Total	1,56,794	1,16,961	-	2,73,755	1,16,961	-	-
Financial liabilities:							
Trade payables	30,819	-	-	30,819	-	-	-
Other financial liabilities	26,942	-	-	26,942	-	-	-
Total	57,761	-	-	57,761	-	-	-

During the reporting year ended 31 March 2019 and 31 March 2018, there was no transfer between level 2 and level 3 fair value measurements.

41 Financial risk management

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

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

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

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

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

i) Credit risk

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



Notes to the financial statements for the year ended March 31, 2019

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

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

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

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in Statement of Profit and 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, 2019	March 31, 2018
Less than 180 days	67,134	29,534
From 181 - 365 days	2,577	1,651
More than 365 days	5,076	1,252
Total	74,787	32,437
Less : Impairment allowance	4,389	1,897
Total	70,398	30,540

Expected credit loss assessment for customers as at March 31, 2018 and March 31, 2019

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

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

	<u>Amount</u>
Balance as at April 01, 2017	685
Impairment loss recognised	1,212
Amounts written off / written back	-
Balance as at March 31, 2018	1,897
Impairment loss recognised	2,492
Amounts written off / written back	-
Balance as at March 31, 2019	4,389

Cash and bank balance

The Company held cash and bank balance with credit worthy banks and financial institutions of ₹ 36,601 and ₹ 12,520 as at March 31, 2019 and March 31, 2018, 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.



Notes to the financial statements for the year ended March 31, 2019

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

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, 2019		As at March 31, 2018	
	Less than 1 year	1 to 3 years	Less than 1 year	1 to 3 years
Non derivative				
Trade payables	30,819	-	22,795	-
Other financial liabilities	26,942	-	20,050	-
Bank Guarantee given	6,116	4,175	2,393	3,947

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, 2019

(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, 2019				
Financial assets				
Trade receivables	1,834	2,129	457	4,420
Net exposure to foreign currency risk (assets)	1,834	2,129	457	4,420
Financial Liabilities				
Trade payables	8,110	6,252	4,900	19,262
Less: Forward against Import	(2,179)	(5,389)	-	(7,568)
Other financial liabilities	-	-	5,438	5,438
Net exposure to foreign currency risk (liabilities)	5,931	863	10,338	17,132
Rupee Conversion Rate	69.17	77.70	90.48	
March 31, 2018				
Financial assets				
Trade receivables	1,725	1,744	2	3,471
Net exposure to foreign currency risk (assets)	1,725	1,744	2	3,471
Financial Liabilities				
Trade payables	3,372	971	1,026	5,369
Other financial liabilities	-	-	-	-
Net exposure to foreign currency risk (liabilities)	3,372	971	1,026	5,369
Rupee Conversion Rate	65.04	80.62	92.28	

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, 2019		March 31, 2018	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	(29.04)	29.04	(11.68)	11.68
EUR	8.97	(8.97)	5.48	(5.48)
GBP	(70.03)	70.03	(7.26)	7.26



Notes to the financial statements for the year ended March 31, 2019

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

42 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 and borrowings. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its funds in a manner that it achieve maximum returns (net of taxes) with minimum risk to the capital and consider the liquidity concerns for its working capital requirements.

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

Subsidiaries	Principal place of business/country of incorporation	Percentage of ownership	
		Interest as on	
		31-Mar-19	31-Mar-18
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	100

Associates	Principal place of business/country of incorporation	Percentage of ownership	
		Interest as on	
		31-Mar-19	31-Mar-18
SP Arrow Bio Polymer Products Private Limited	India	46	46
Sphere Bio Polymer Private Limited	India	49	49

44. 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

Hitesh Punglia
Chief Financial Officer

Neil Patel
Jt. Managing Director
DIN No - 00607101

Poonam Bansal
Company Secretary

Place : Mumbai
Date : May 18, 2019



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, 2019, 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 "the 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 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"), of the consolidated state of affairs of the Group and its associates, as at March 31, 2019, their consolidated loss (including other comprehensive income), 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.

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 period. 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 Board's Report and annexures thereto and Business Responsibility report, but does not include the 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder. 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 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 and its associates or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Consolidated 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)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiaries and its associates, 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 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the Ind AS financial statements of five subsidiaries (including one step down subsidiaries), whose Ind AS financial statements reflects total assets of Rs. 381,554 thousand and net assets of Rs. 330,148 thousand as at March 31, 2019, total revenues of Rs. 22,101 thousand and net cash outflows amounting to Rs. 130,940 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, 2019, 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 the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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 Indian Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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, 2019 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, we give our separate report in the "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 35 to the consolidated Ind AS financial statements;
 - (ii) Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 41 and Note 46 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its associates; and (b) the Group's share of net loss in respect of its associates;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its associate companies incorporated in India.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

Snehal Shah

Partner

Membership No. 048539

Place : Mumbai

Date : May 18, 2019



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the consolidated Ind AS financial statements for the year ended March 31, 2019]

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 ("Company" or "the Holding Company") as of and for the year ended March 31, 2019, 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 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 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, to the best of our information and according to the explanations given to us and based on the 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, 2019, 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

Place : Mumbai

Date : May 18, 2019



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

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

Particulars	Notes	As at	
		March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,11,100	2,41,412
Capital work-in-progress	3	14,441	-
Intangible assets	3	15,751	18,469
Intangible assets under development	3	9,751	6,593
Investment Property	4	1,421	1,494
Financial assets			
(i) Investments	5	1,66,017	2,94,634
(ii) Loans	6	4,517	4,034
(iii) Other financial asset	7	6,397	3,988
Income tax assets (Net)	8	11,736	7,173
Other non-current assets	9	67,312	18,984
Total Non-current assets		5,08,443	5,96,781
Current assets			
Inventories	10	58,898	46,109
Financial assets			
(i) Trade Receivables	11	76,021	79,932
(ii) Cash and cash equivalents	12	1,77,018	2,90,524
(iii) Bank balances other than (ii) above	13	6,401	5,120
(iv) Loans	14	1,049	1,463
(v) Other financial assets	15	186	2,955
Other current assets	16	37,571	34,125
Total current assets		3,57,144	4,60,228
TOTAL ASSETS		8,65,587	10,57,009
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,17,399	1,17,399
Other Equity	18	6,61,183	8,59,140
Equity attributable to owners		7,78,582	9,76,539
Non controlling interest		16,310	19,707
Total Equity		7,94,892	9,96,246
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	19	369	507
Provisions	20	1,643	800
Deferred tax liabilities (Net)	33	3,736	7,636
Total Non current Liabilities		5,748	8,943
Current liabilities			
Financial liabilities			
(i) Trade payables	21		
- Total outstanding dues to Micro and Small Enterprises		291	69
- Total outstanding dues to others		33,985	25,011
(ii) Other financial liabilities	22	25,550	21,832
Provisions	23	1,333	2,340
Other current liabilities	24	3,788	2,568
Total current Liabilities		64,947	51,820
Total Liabilities		70,695	60,763
TOTAL EQUITY AND LIABILITIES		8,65,587	10,57,009

Significant accounting policies

2

The accompanying notes are an integral part of these financial statements (1-48)

As per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 18, 2019

**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, 2019

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

Particulars	Notes	Year ended	
		March 31, 2019	March 31, 2018
INCOME			
Revenue from operations	25	3,42,922	3,47,274
Other Income	26	16,169	22,687
TOTAL INCOME		3,59,091	3,69,961
EXPENSES			
Cost of raw materials consumed	27	36,668	34,575
Purchase of stock-in-trade		2,29,437	70,906
Change in inventory of finished goods, work-in-progress and stock in trade	28	(8,950)	(23,105)
Excise Duty on sales		-	1,453
Employee benefits expense	29	92,418	71,886
Depreciation and amortisation expense	3	37,012	43,802
Other expenses	30	1,42,989	1,38,071
TOTAL EXPENSES		5,29,574	3,37,588
Profit before tax		(1,70,483)	32,373
Income tax expense			
Current Tax	33	11,010	32,276
Adjustment of tax relating to earlier periods (net)		(9,013)	824
Deferred Tax		(3,817)	(2,442)
Total tax expense		(1,820)	30,658
Profit after tax		(1,68,663)	1,715
Other comprehensive income :			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		(7,484)	66,400
(ii) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations gains / (loss)		(265)	(375)
- Income tax relating to the above items		77	109
		(188)	(265)
Other comprehensive income for the year, net of tax		(7,672)	66,135
Total comprehensive income for the year		(1,76,335)	67,849
Profit attributable to:			
Owners of equity		(1,66,802)	2,747
Non-controlling interest		(1,861)	(1,032)
		(1,68,663)	1,715
Total comprehensive income attributable to:			
Owners of equity		(1,74,474)	68,882
Non-controlling interest		(1,861)	(1,032)
		(1,76,335)	67,850
Earnings per equity share (₹)			
Basic and Diluted [Nominal value of the shares ₹10 (March 31, 2018 : ₹ 10)]	34	(14.21)	0.23

The accompanying notes are an integral part of these financial statements (1-48)

As per our report of even date.
For Haribhakti & Co LLP
 Chartered Accountants
 ICAI FR No. 103523W / W100048

Snehal Shah
 Partner
 Membership No. 048539

 Place : Mumbai
 Date : May 18, 2019

**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, 2019

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

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Operating activities		
Profit before tax	(1,70,483)	32,373
Adjustment to reconcile profit before tax to net cash flows		
Depreciation of property, plant and equipment	37,012	43,802
Fair value gain on non-current investments	(1,263)	(1,175)
Exchange differences on translation of assets & liabilities	(10,115)	54,077
Provision For Doubtful Debt	2,492	1,212
Provision For Doubtful Advances	649	146
Sundry Balance Written Off	-	295
Investment in Associate Written Off	-	2,106
Net gain on sale of Long term Investments	(7,540)	(3,283)
Interest Income	(932)	(1,662)
Dividend Income	(5,346)	(8,431)
	(1,55,525)	1,19,460
Working capital adjustments:		
Decrease/ (Increase) in Loans and Advances	(69)	(1,730)
Decrease/ (Increase) in non-current assets	(38)	111
Decrease / (Increase) in trade receivables	1,419	14,312
Decrease/ (Increase) in current assets	(4,095)	(14,955)
Decrease/ (Increase) in Inventories	(12,789)	(26,363)
Increase/ (Decrease) in provisions	(429)	2,004
Increase/ (Decrease) in trade payables	9,196	2,143
Increase/ (Decrease) in other financial Liabilities	3,204	(5,680)
Increase/ (Decrease) in other Liabilities	1,220	(918)
Increase/ (Decrease) in other Financial assets	2,198	(2,208)
	(1,55,708)	86,177
Income tax paid	(6,560)	(35,979)
Net cash flows / (used in) from operating activities	(A)	50,198
Investing activities		
Purchase of Fixed assets including CWIP	(65,941)	(27,907)
Purchase of mutual fund investment, net	1,37,420	(1,06,418)
Investments in Bank deposits	(3,690)	1,296
Dividend Received	5,926	5,852
Interest Received	923	1,698
Net cash flows / (used in) from investing activities	(B)	(1,25,479)
Financing activities:		
Dividend paid, including dividend tax	(25,738)	(61,634)
Repayment of Borrowings	(138)	-
Net cash flows (used in) financing activities	(C)	(61,634)
Net Increase / (Decrease) In Cash And Cash Equivalents	(A+B+C)	(1,36,914)
Cash and Cash equivalents at the beginning of the year	2,90,524	4,27,438
Cash and Cash equivalents at the end of the year (Refer note - 12)	1,77,018	2,90,524

Notes:

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

The accompanying notes are an integral part of these financial statements (1-48).

As per our report of even date.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 18, 2019

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, 2019
 (All amounts in Indian ₹ in thousand unless otherwise stated)

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

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Balance at the beginning	1,17,39,948	1,17,399	1,17,39,948	1,17,399
Changes in equity share capital during the year	-	-	-	-
Balance at the end	1,17,39,948	1,17,399	1,17,39,948	1,17,399

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 April 01, 2017	29,199	8,218	200	8,82,149	(63,761)	8,56,005	17,945	8,73,950
Profit for the year	-	-	-	2,747	-	2,747	(1,032)	1,715
Other comprehensive income (net of tax)	-	-	-	(265)	66,400	66,135	-	66,135
Dividend	-	-	-	(65,747)	-	(65,747)	2,794	(62,953)
Balance at March 31, 2018	29,199	8,218	200	8,18,884	2,639	8,59,140	19,707	8,78,847
Profit for the year	-	-	-	(1,66,802)	-	(1,66,802)	(1,861)	(1,68,663)
Other comprehensive income (net of tax)	-	-	-	(188)	(7,484)	(7,672)	-	(7,672)
Dividends	-	-	-	(23,483)	-	(23,483)	(2,769)	(26,252)
Equity	-	-	-	-	-	-	1,233	1,233
Balance at March 31, 2019	29,199	8,218	200	6,28,411	(4,845)	6,61,183	16,310	6,77,493

The accompanying notes are an integral part of these financial statements (1-48).

As per our report of even date.

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

Snehal Shah
 Partner
 Membership No. 048539

Place : Mumbai
 Date : May 18, 2019

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, 2019

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

1. Corporate Information

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

2. Significant Accounting Policies

A Basis of accounting and preparation of Financial Statements:

Compliance with Indian Accounting Standards (Ind AS):

These Consolidated Ind AS Financial Statements ("Consolidated Financial Statements") of the Company and its subsidiaries ("the Group"), have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These Consolidated Financial Statements were authorized for issue by the Company's Board of Directors on May 18, 2019

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 39)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 35)
- Estimation of Tax expenses and Liability (Refer note 8 and 33)
- Useful lives of property, plant, equipment and intangibles (Refer note 3)
- Impairment of financial assets such as trade receivables (Refer note 42)
- 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, consolidated statement of changes in equity and balance sheet respectively.



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

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

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The Group has adopted Ind AS 115 using the modified retrospective approach. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

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

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

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

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

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



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

D Property, Plant and Equipment, Depreciation and Impairment:

i) Recognition and measurement:

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

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

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

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

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

ii) Depreciation:

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

iii) Intangible Assets

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

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

iv) Capital work in Progress

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

E Investment Property

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

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

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

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

F Research and Development Cost:

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



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

expenditure is capitalized.

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

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

G Impairment of Assets:

i) Financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on the financial assets measured at amortised cost and debt instruments measured at 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



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

ii) **Other long-term employee benefit obligations:**

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

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

iii) **Post – employment obligations**

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund and Employee State Insurance Fund (ESIC).

Defined Benefit Plans - Gratuity obligations

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

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

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

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

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

Defined contribution plan

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

K **Leases (where the Group is lessee):**

At the inception of an arrangement, the Group determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

Leases of property, plant and equipment where the Group, as lessee, in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss as per the terms of the lease or on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

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.

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.



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

N Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

Diluted earnings per share is calculated by dividing:

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

O Provisions

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

P Contingent Liabilities

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

Q Cash and cash equivalents

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

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

Cash Flows

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

R Dividend

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

S Derivatives and hedging activities

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

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

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



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

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 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 Consolidated financial statements for the year ended March 31, 2019

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

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 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 Consolidated financial statements for the year ended March 31, 2019**

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

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 Recent Accounting Pronouncements

Standards issued but not yet effective In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the group from April 1, 2019. The group will be adopting the below stated new standards and applicable amendments from their respective effective date.

Ind AS 116, Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Under IND AS 116, at commencement date, a lessee will recognise a liability to make lease payments i.e a lease liability and an asset representing the right to use the underlying asset during the lease term i.e the right of use asset. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The group is currently evaluating the impact on account of implementation of IND AS 116 and on preliminary assessment the group does not expect any significant impact on account of implementation IND AS 116.

Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The group will apply these amendments for annual reporting periods beginning on or after April 1, 2019. The impact on the Financial Statements is being evaluated.

Other Amendments:

Amendments to Ind AS 103, Business Combinations

Amendments to Ind AS 109, Financial Instruments

Amendments to Ind AS 19, Employee Benefits

Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on the preliminary assessment, the group does not expect these amendments to have any significant impact on its financial statements.



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

3 Tangible and intangible assets

	Gross carrying amount				Accumulated depreciation / amortisation				Net block			
	Carrying amount as at April 01, 2018	Additions during the year	Disposal during the year	Translation adjustments	As at March 31, 2019	As at April 01, 2018	Charge for the year	Disposal during the year	Translation adjustments	As at March 31, 2019	At March 31, 2018	At March 31, 2019
A Property, plant and equipment												
Leasehold Land	3,117	-	-	-	3,117	61	36	-	-	97	3,056	3,020
Building	1,34,803	1,135	-	(1,938)	1,34,000	7,520	4,751	-	-	12,271	1,27,283	1,21,729
Plant and Equipment	1,44,620	4,965	(10,436)	-	1,39,149	43,403	24,894	(5,798)	-	62,499	1,01,218	76,650
Furniture and Fixtures	3,164	1,718	-	-	4,882	530	1,044	-	-	1,574	2,634	3,308
Electrical Installation	2,808	165	-	-	2,973	677	588	-	-	1,265	2,131	1,708
Laboratory Equipment	46	-	-	-	46	46	-	-	-	46	-	-
Vehicles	3,888	-	-	-	3,888	1,755	618	-	-	2,373	2,133	1,515
Office Equipment	2,117	1,600	-	-	3,717	753	1,029	-	-	1,782	1,364	1,935
Computer	3,373	905	-	(1)	4,276	1,821	1,260	-	-	3,081	1,552	1,196
Office Building (Refer note 1)	45	-	-	-	45	4	2	-	-	6	41	39
Total A	2,97,981	10,488	(10,436)	(1,939)	2,96,094	56,569	34,222	(5,798)	-	84,994	2,41,412	2,11,100
B Capital work-in-progress												
	-	14,441	-	-	14,441	-	-	-	-	-	-	14,441
Total B	-	14,441	-	-	14,441	-	-	-	-	-	-	14,441
C Intangible assets												
Patent rights	21,424	-	-	(2)	21,422	2,955	2,716	-	-	5,671	18,469	15,751
Total C	21,424	-	-	(2)	21,422	2,955	2,716	-	-	5,671	18,469	15,751
D Intangible assets under development												
Patent rights	4,174	588	-	-	4,762	-	-	-	-	-	4,174	4,762
Product Development	1,143	5,449	(2,699)	-	3,893	-	-	-	-	-	1,143	3,893
Software development	1,276	455	(635)	-	1,096	-	-	-	-	-	1,276	1,096
Total D	6,593	6,492	(3,334)	-	9,751	-	-	-	-	-	6,593	9,751
Total (A+B+C+D)	3,25,998	31,421	(13,770)	(1,941)	3,41,708	59,524	36,939	(5,798)	-	90,665	2,66,474	2,51,043

Note : (1) Building having gross value of ₹.45 (P.Y. ₹. 45) 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.



Notes to the Consolidated financial statements for the year ended March 31, 2019

(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, 2017	Additions during the year	Disposal during the year	Translation adjustments	As at March 31, 2018	As at April 01, 2017	Charge for the year	Disposal during the year	Translation adjustments	As at March 31, 2018	At April 01, 2017	At March 31, 2018
A Property, plant and equipment												
Leasehold Land	3,117	-	-	-	3,117	25	36	-	-	61	3,092	3,056
Building	1,19,325	2,581	-	12,897	1,34,803	2,230	4,882	-	408	7,520	1,17,095	1,27,283
Plant and Equipment	1,30,198	13,273	-	1,149	1,44,620	9,214	33,636	-	553	43,403	1,20,984	1,01,218
Furniture and Fixtures	958	2,206	-	-	3,164	185	345	-	-	530	773	2,634
Electrical Installation	2,295	544	(31)	-	2,808	10	667	-	-	677	2,285	2,131
Laboratory Equipment	181	-	(135)	-	46	46	-	-	-	46	135	-
Vehicles	3,458	430	-	-	3,888	1,033	722	-	-	1,755	2,425	2,133
Office Equipment	931	1,186	-	-	2,117	303	450	-	-	753	628	1,364
Computer	1,719	1,614	-	40	3,373	677	1,113	-	31	1,821	1,042	1,552
Office Building (Refer note 1)	45	-	-	-	45	2	2	-	-	4	43	41
Total A	2,62,227	21,834	(166)	14,086	2,97,981	13,725	41,853	-	992	56,569	2,48,502	2,41,412
B Capital work-in-progress												
	116	-	(116)	-	-	-	-	-	-	-	116	-
Total B	116	-	(116)	-	-	-	-	-	-	-	116	-
C Intangible assets												
Patent rights	10,061	11,336	-	27	21,424	1,083	1,872	-	-	2,955	8,978	18,469
Total C	10,061	11,336	-	27	21,424	1,083	1,872	-	-	2,955	8,978	18,469
D Intangible assets under development												
Patent rights	11,449	4,061	(11,336)	-	4,174	-	-	-	-	-	11,449	4,174
Product Development	339	1,143	-	-	1,143	-	-	-	-	-	-	1,143
Software development	-	937	-	-	1,276	-	-	-	-	-	339	1,276
Total D	11,788	6,141	(11,336)	-	6,593	-	-	-	-	-	11,788	6,593
Total (A+B+C+D)	2,84,192	39,311	(11,618)	14,113	3,25,998	14,808	43,725	-	992	59,524	2,69,384	2,66,474

Note:

1. Building having gross value of ₹ 45 (P.Y. ₹ 45) 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.



Notes to the Consolidated financial statements for the year ended March 31, 2019

(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, 2018	Disposal during the year	Additions during the year	Translation Adjustments	As at April 01, 2018	Charge for the year	Disposal during the year	Translation Adjustments	As at March 31, 2019	At March 31, 2018	At March 31, 2019
Guest House	1,651	-	-	-	157	73	-	-	230	1,494	1,421
Total	1,651	-	-	-	157	73	-	-	230	1,494	1,421

	Gross carrying amount		Accumulated depreciation / amortisation		Carrying amount					
	Carrying amount as at April 01, 2017	Deletion during the year	Additions during the year	Translation Adjustments	As at April 01, 2017	Disposal during the year	Translation Adjustments	As at March 31, 2018	At April 1, 2017	At March 31, 2018
Guest House	1,651	-	-	-	80	77	-	157	1,571	1,494
Total	1,651	-	-	-	80	77	-	157	1,571	1,494

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

	As at March 31, 2019	As at March 31, 2018
Depreciation	73	77
Profit / (loss) from investment property	(73)	(77)
(ii) Fair value		
Investment property #	2,555	2,555

Estimation of Fair value

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


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

5 Investments

	As at			
	March 31, 2019		March 31, 2018	
	Nos.	Amount	Nos.	Amount
<u>Investment in Equity instruments of Associates</u>				
<u>(Unquoted) (Fully paid up) (Trade)</u>				
Equity shares of SPArrow Bio-Polymer Products (P) Ltd of face value ₹ 10 each (46% holding)	4,600	-	4,600	-
Equity shares of Sphere Bio-Polymers (P) Ltd of face value ₹ 10 each (49% holding)	4,900	-	4,900	-
Accumulated share of loss of associate companies		-		-
5 Investments				
<u>in Equity Instruments (Unquoted), (Fully Paid), Non-Trade, at Fair value through Profit or Loss</u>				
Shamrao Vithal Co- operative Bank		9		9
Equity Shares of ₹ 25 each	300		300	
Equity Shares of ₹ 10 each	100		100	
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		1,66,008		2,94,625
		1,66,017		2,94,634
Aggregate amount of quoted investments and market value thereof		1,66,008		2,94,625
Aggregate amount of unquoted investments		9		9
Aggregate amount of impairment in the value of investments		-		-

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

	As at			
	March 31, 2019		March 31, 2018	
	Units	Amount	Units	Amount
Aventus Absolute Return Fund	-	-	-	10,494
GLMSF - Fund Class	248	24,742	248	21,833
HDFC Corp Debt Opportunities Fund-Regular *	26,87,329	40,995	26,87,329	38,727
HDFC Short Term Plan - Monthly Dividend	-	-	8,27,284	8,598
HDFC TOP 200 Fund-Dividend	-	-	1,10,166	5,226
ICICI Prud. Equity Income Fund Regular Plan **	29,18,288	33,298	29,18,288	33,123
ICICI Prudential Savings Fund - Daily Dividend	2,91,855	30,872	8,24,079	87,182
ICICI Prudential Equity Arbitrage Fund- Dividend	-	-	7,27,453	9,922
ICICI Prudential Value Discovery Fund- Dividend	4,44,950	11,787	3,94,938	11,366
ICICI Prudential Equity Arbitrage Fund - Dividend	1,45,396	1,980	1,45,396	1,983
IDFC Corporate Bond Fund Regular Plan - Growth	-	-	9,52,962	11,329
IDFC SSIF - Short Term - Plan A - Monthly Dividend Payout	-	-	7,39,331	7,539
Motilal Oswal Most Focused Multicap 35 Fund- Regular Dividend Reinvestments	-	-	5,81,428	14,063
Reliance Regular Savings Fund-Debt Plan- Growth Plan Growth Option	-	-	4,70,568	11,391
Stallion Total Return Fund	28,249	22,333	28,249	21,849
		1,66,008		2,94,625

* Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2018-19 and FY 2017-18

** Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2017-18


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

	As at	
	March 31, 2019	March 31, 2018
6 Loans		
<u>Unsecured, considered good</u>		
Security deposits - Others	4,177	3,234
Loan to Employees	340	800
	4,517	4,034
7 Other financial assets		
Fixed deposits with Bank (maturity more than 12 months) *	6,397	3,988
	6,397	3,988
*Held as lien against LC Issued Mar 31, 2019 ₹ 4,800, March 31, 2018 Nil and Lien by bank against bank guarantee / Security Deposit of March 31, 2019 ₹ 1,597, Mar 31, 2018 ₹ 903		
8 Income tax assets (Net)		
Advance Income Tax (Net of Provision for Taxation of Mar 31, 2019 ₹ 140,920 Mar 31,2018 ₹ 112,626)	11,736	7,173
	11,736	7,173
9 Other non-current assets		
<u>Unsecured, considered good</u>		
Capital advances	67,104	18,814
Prepaid expenses	208	170
	67,312	18,984
10 Inventories		
<u>Raw materials and components:</u>		
Polyvinyl Alcohol	10,432	6,805
Chemicals	1,200	907
Others	616	560
Total	12,248	8,272
<u>Work in progress:</u>		
Water Soluble Films	11,821	16,963
<u>Finished goods:</u>		
Water Soluble Films	13,008	8,076
<u>Stock in trade</u>		
Cleaning products	15,410	12,238
Bioplast	5,988	-
Stores and spares	423	560
	58,898	46,109


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

	As at	
	March 31, 2019	March 31, 2018
11 Trade Receivables		
<u>Unsecured</u>		
Dues from trade receivables considered good	76,021	79,932
Dues from trade receivables considered doubtful	4,389	1,897
Less: Impairment allowance	(4,389)	(1,897)
	76,021	79,932
Note: Trade receivable are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts		
12 Cash and cash equivalents		
<u>Balance with bank:</u>		
On current accounts	1,54,171	2,90,335
Deposits with original maturity of less than 3 months	22,500	125
Cash on hand	347	64
	1,77,018	2,90,524
13 Bank balances other than cash and cash equivalents		
Unclaimed Dividend Account	4,249	3,735
Deposits with maturity of more than 3 months but less than 12 months **	2,152	1,385
	6,401	5,120
**Held as lien by bank against bank guarantee amounting to March 31, 2019 ₹ 1,775, March 31, 2018 Nil		
14 Loans		
<u>Unsecured, considered good</u>		
Security deposits - Others	198	109
Loan to Employees	851	1,354
	1,049	1,463
15 Other financial assets		
<u>Unsecured, considered good</u>		
Dividend receivable	4	584
Interest accrued on deposits with bank	172	163
Derivative Assets	10	2,208
	186	2,955
16 Other current assets		
Unsecured, considered good unless stated otherwise		
Advance to suppliers		
Considered Good	2,646	565
Considered Doubtful	2,199	1,550
Less Provision for Doubtful Advance	(2,199)	(1,550)
	2,646	565
Prepaid expenses	1,061	4,812
Advance to employees	1,430	701
Balance with Government authorities	32,434	28,047
	37,571	34,125


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

17 Equity Share Capital
a) Equity share capital

	As at March 31, 2019		As at March 31, 2018	
	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	1,17,39,948	1,17,399	1,17,39,948	1,17,399

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

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	1,17,39,948	1,17,399	1,17,39,948	1,17,399
Outstanding at the end of the year	1,17,39,948	1,17,399	1,17,39,948	1,17,399

c) Terms /Rights attached to Equity shares

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

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

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

Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Pvt Ltd	11,96,014	10%	11,96,014	10%
Jigisha S. Patel	15,18,503	13%	15,18,503	13%
Shilpan P. Patel	32,26,342	27%	32,26,342	27%
Shilpan Patel (HUF)	8,99,316	8%	8,99,316	8%
	68,40,175	58%	68,40,175	58%

		As at	
		March 31, 2019	March 31, 2018
18 Other Equity			
General Reserve	18 (i)	200	200
Capital reserve	18 (ii)	8,218	8,218
Securities premium reserve	18 (iii)	29,199	29,199
Retained earnings	18 (iv)	6,28,411	8,18,884
Foreign currency translation reserve	18 (v)	(4,845)	2,639
		6,61,183	8,59,140


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

	As at	
	March 31, 2019	March 31, 2018
18 (i) Reserves and surplus		
<u>General reserve</u>		
Balance at the beginning of the year	200	200
Movement during the year	-	-
Balance 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 at the year end	8,218	8,218
18 (iii) Securities premium reserve		
Balance at the beginning of the year	29,199	29,199
Movement during the year	-	-
Balance at the year end	29,199	29,199
18 (iv) Retained earnings		
Opening Balance at the beginning of the year	8,18,884	8,82,149
Add : Profit for the year	(1,66,802)	2,747
Less : Dividend paid	(23,483)	(65,747)
Items that will not be reclassified to profit or loss :		
- Remeasurement of defined benefit obligation	(265)	(375)
- Income tax relating to above item	77	109
Balance as at the year end	6,28,411	8,18,884
18 (v) Other Comprehensive Income		
Foreign Currency Translation Reserve		
Opening balance	2,639	(63,761)
Add: for the year	(7,484)	66,400
Balance as at the year end	(4,845)	2,639
	6,61,183	8,59,140
Proposed dividend on equity shares not recognised		
Final dividend for the year ended ₹ 0.50 per share (PY ₹ 2 per share)	5,870	23,480
Dividend distribution tax on proposed dividend	1,207	4,780
	7,077	28,260

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 Consolidated financial statements for the year ended March 31, 2019

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

	As at	
	March 31, 2019	March 31, 2018
19 Borrowings		
Unsecured (interest free repayable on demand)		
From Directors (Refer note 40)	-	131
From Others	369	376
	369	507
20 Provisions		
Provision for employee benefits (Refer note 39)		
- Leave encashment (un funded)	1,643	800
	1,643	800
21 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	291	69
Total outstanding dues to others	33,985	25,011
	34,276	25,080
22 Other financial liabilities		
Unclaimed Dividend ^	4,246	3,732
Employee Benefits Payable	2,871	2,855
Outstanding liability for expenses	5,819	3,291
Trade payable for capital goods (other than small and medium enterprises)	10,423	11,954
Derivative Liability	2,191	-
	25,550	21,832
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund		
23 Provisions		
Provision for employee benefits (Refer note 39)		
- Gratuity (funded)	750	2,072
- Leave encashment (un funded)	583	268
	1,333	2,340
24 Other current liabilities		
Statutory Dues Payable	2,716	1,928
Advances from customers	1,072	640
	3,788	2,568


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

	Year ended	
	March 31, 2019	March 31, 2018
25 Revenue from operations		
<u>Sale of products (including excise duty net of sales return)</u>		
Finished goods	88,018	65,337
Traded goods	2,37,375	78,245
<u>Services rendered</u>		
Royalty Income - Patent	11,663	1,50,966
Consulting Income	-	45,734
<u>Other Operating Revenue</u>		
Rent Income	5,765	6,820
Sale of scrap	100	172
Revenue from Operations	3,42,922	3,47,274
Detail of Sale of Products / Services		
<u>Finished goods sold</u>		
Water Soluble Films	88,018	65,337
	88,018	65,337
<u>Traded goods sold</u>		
Cleaning Products	11,227	10,335
Other Business	2,21,476	65,918
Water Soluble films	4,672	1,992
	2,37,375	78,245
Goods and Service Tax (GST) has been effective from July 1, 2017. Consequently, excise duty, value added tax (VAT), Service tax etc. have been replaced with GST. Until June 30, 2017, 'Sale of product' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sales of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of Products' and 'Revenue from operations' for the year ended March 31, 2019 are not comparable with those of the previous year		
26 Other Income		
<u>Dividend Income</u>		
From Non-current Investment in Mutual Fund measured at Fair Value through profit and loss	5,346	8,431
<u>Interest Income received on Financial Assets - Carried at amortised cost</u>		
On Fixed Deposit with Bank	644	1,109
On Loans and Deposits	288	553
Foreign Exchange Gain (net)	-	6,470
Net Gain on Sale of non-current Investments in Mutual Fund	7,540	3,283
Gain on Forward Contract	10	-
Miscellaneous Income	1,078	1,666
Net Gain on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through Profit and Loss	1,263	1,175
	16,169	22,687
27 Cost of raw materials consumed		
Inventory at the beginning of the year	8,272	4,545
Add: Purchases	40,644	38,302
Less: Inventory at the end of the year	12,248	8,272
	36,668	34,575


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

	Year ended	
	March 31, 2019	March 31, 2018
28 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	21,398	12,238
Work-in-progress	11,821	16,963
Finished goods	13,008	8,076
<u>Inventories at the beginning of the year</u>		
Stock In Trade	12,238	5,360
Work-in-progress	16,963	2,935
Finished goods	8,076	5,919
	(8,950)	(23,105)
29 Employee benefits expense		
Salary, Wages and Bonus	85,233	63,767
Contribution to Provident and other funds (Refer note 39)	2,314	2,106
Gratuity and Leave Encashment (Refer note 39)	2,140	3,646
Staff welfare expenses	2,731	2,367
	92,418	71,886
30 Other expenses		
Consumption of stores and spares	2,446	3,072
Repair and Maintenance - Building	626	851
Repair and Maintenance - Machinery	1,123	1,012
Repair and Maintenance - Other	2,023	2,329
Rent (Refer note 36)	8,326	5,069
Insurance	815	444
Power and Fuel	23,063	22,976
Labour Charges	5,618	5,910
Factory Expenses	2,468	1,742
Selling and Promotion Expenses	1,491	4,741
Freight and Forwarding	7,289	5,606
Lease Rent and Hire Charges (Refer note 36)	11,019	10,699
Postage and Telephone Expenses	1,909	2,337
Printing and Stationery	1,166	1,099
Travelling and Conveyance	23,814	20,212
Legal and Professional Charges	23,745	26,854
Patent Charges	4,766	3,049
Donations	500	4,500
Provision For Doubtful Advances	649	146
Provision For Doubtful debts	2,492	1,212
Payment to Auditors (exclusive of service tax & GST) (Refer note 31)	2,997	2,895
Corporate Social Responsibility Expense - Holding Company (Refer note 32)	2,100	2,461
Loss on fair value of Investment	3,827	-
Bank Charges	853	723
Foreign Exchange Loss (Net)	1,990	-
Sundry Balances written off	-	2,401
Other Misc Expenses	5,875	5,731
	1,42,989	1,38,071


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

	Year ended	
	March 31, 2019	March 31, 2018
31 Payment to Auditors (exclusive of service tax & GST)		
As auditor		
Auditors Remuneration	2,368	2,615
Tax audit fees	200	200
Limited review fees	300	300
Other Capacity		
Other services (Certification fees)	110	95
Reimbursement of expenses	19	23
	2,997	3,233
32 Corporate Social Responsibility Expense - Holding Company		
<u>Gross amount required to be spent during the year</u>		
Corporate Social Responsibility Expense	2,466	2,505
<u>Amount spent during the year (paid in cash)</u>		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	2,100	2,461
<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	-	-
	2,100	2,461
33 Income taxes		
a. Income tax expense is as follows:		
Statement of Profit and Loss		
Current tax:		
Tax for the year	11,010	32,276
Adjustments for current tax of prior periods	(9,013)	824
Total current tax expense	1,997	33,100
Deferred tax:		
Deferred tax expenses	(3,817)	(2,442)
Total deferred tax expense	(3,817)	(2,442)
Income tax expense	(1,820)	30,658
Other comprehensive income		
Deferred tax related to OCI items:		
Net loss on remeasurements of defined benefit plans	77	109
	77	109


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

b. Reconciliation of effective tax rate

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

	Year ended			
	March 31, 2019		March 31, 2018	
Profit before tax		(1,70,483)		32,373
Tax at the Indian tax rate	29.12%	(49,645)	28.84%	9,336
Tax effects on amounts which are not deductible (taxable) in calculating taxable income				
Tax effect of:				
Differences in tax rates in respect of royalty income	0.00%	-	52.38%	16,957
Differences in tax rates in respect of Short term capital gain on sale of Mutual Fund	-0.13%	218	47.33%	15,321
Non-deductible expenses	-0.68%	(1,152)	1.87%	607
Exempt income	-0.91%	(1,557)	-7.46%	(2,416)
Others	-0.39%	670	0.59%	190
	1.07%	(1,820)	94.70%	30,658

c. Deferred Tax Liabilities (net)
(i) Movement in deferred tax liabilities for the year ended March 31, 2019

	Net balance March 31, 2018	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2019
Deferred tax on:				
Property, plant and equipment	5,683	(2,275)	-	3,408
Fair valuation of investments in mutual fund	3,697	(891)	-	2,806
Provision for doubtful debts and advances and disallowances under Section 43B of the Income tax Act, 1961	(2,066)	(676)	(77)	(2,825)
Others	322	25	-	347
	7,636	(3,817)	(77)	3,736

(ii) Movement in deferred tax liabilities for the year ended March 31, 2018

	Net balance March 31, 2017	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2018
Deferred tax on:				
Property, plant and equipment	7,748	(2,065)	-	5,683
Fair valuation of investments in mutual fund	3,441	256	-	3,697
Provision for doubtful debts and advances and disallowances under Section 43B of the Income tax Act, 1961	(1,321)	(779)	(109)	(2,066)
Others	176	146	-	322
	10,044	(2,442)	(109)	7,636


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

	Year ended	
	March 31, 2019	March 31, 2018
34 Earnings Per Share		
Calculation of basic and diluted Earnings per share is as follows:		
Profit for the year attributable to Owners of the Company	(1,66,802)	2,747
Weighted average number of equity shares		
- Basic	1,17,39,948	1,17,39,948
- Diluted	1,17,39,948	1,17,39,948
Earnings per share (in ₹)		
- Basic	(14.21)	0.23
- Diluted	(14.21)	0.23

	As at	
	March 31, 2019	March 31, 2018
35 Contingent liabilities and Commitments		
Contingent Liabilities		
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 349 (March 31, 2018: ₹ 349))	76,910	81,063
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 1,304 (March 31, 2018: ₹ 1,304))	10,537	10,537
(c) Bank Guarantees given	10,291	6,340
	97,738	97,940

36 Leases

The Group has entered into operating lease agreements for the rental of its office premises for a period of 3 to 5 years as defined in the Indian Accounting Standard 17 and there are no restrictions imposed by the lease arrangements. Significant terms of lease agreement are :

- No transfer of ownership on termination of lease
- No compensation for transfer on termination of lease

Lease rental expenses recognized in the Statement of Profit and Loss in respect of operating leases for the year and the lease rentals payable (minimum lease payments) for non-cancellable operating lease are as follows:

	As at	
	March 31, 2019	March 31, 2018
Lease rent expenses for the year *	19,344	15,768
<u>Minimum lease payments</u>		
(a) Due within one year	8,987	8,548
(b) Due later than one year and not later than five years	10,802	6,791
(c) Due later than five years	10,231	-

*Lease Rent Expenses for March 31, 2019 include Rent on Machinery and Amortization of expenses of ₹ 11,019 (PY ₹ 10,699)

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



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

38 Micro, Small and Medium Enterprises

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

	As at	
	March 31, 2019	March 31, 2018
Principal amount remaining unpaid at the end of the year	291	69
Interest due thereon	19	-
Interest remaining accrued and unpaid at the end of the year	19	-
Total Interest accrued and remained unpaid at year end	19	-

39 Employee benefit obligations of Holding Company

i) Defined Contribution Plans

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

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

	Year ended	
	March 31, 2019	March 31, 2018
Employer's Contribution to Provident Fund	1,943	1,728
Employer's Contribution to Employees State Insurance Corporation	371	378

ii) Defined Benefits Plans

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

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

Funding :

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

Reconciliation of the net defined benefit obligation:

	Year ended	
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	5,380	1,743
Benefits paid	(97)	-
Current service cost	509	349
Interest cost	419	129
Past service cost	-	2,809
Actuarial losses / (gain) recognized in other comprehensive income		
Changes in financial assumptions	4	(127)
Experience adjustments	215	477
Liabilities assumed / (settled)	-	-
Closing defined benefit obligation	6,429	5,380


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

Reconciliation of the fair value of plan assets:

	Year ended	
	March 31, 2019	March 31, 2018
Opening fair value of plan assets	3,308	2,147
Interest Income	257	159
Employer contributions	2,257	1,027
Benefits paid	(97)	-
Actuarial gains on Plan Assets	(45)	(25)
Closing fair value of plan assets	5,679	3,308

Balance sheet reconciliation

	As at	
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	5,380	1,743
Opening fair value of plan assets	(3,308)	(2,147)
Expenses recognised in profit and loss	670	3,128
Expenses recognised in Other Comprehensive Income	265	375
Employer contributions	(2,257)	(1,027)
Net (Asset) / Liability recognised in the Balance Sheet	750	2,072

Expenses recognised in Profit and Loss:

	Year ended	
	March 31, 2019	March 31, 2018
Current service cost	509	349
Interest cost	161	(30)
Past Service Cost	-	2,809
	670	3,128

Remeasurements recognised in other comprehensive income

	Year ended	
	March 31, 2019	March 31, 2018
Actuarial (gain) / loss on defined benefit obligation	219	350
Return on plan assets excluding interest income	45	25
	265	375

Analysis of plan assets

	As at	
	March 31, 2019	March 31, 2018
Insurer managed funds (%)	100%	100%
Others (%)	0%	0%
	100%	100%


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

Maturity profile of defined benefit obligation

	As at	
	March 31, 2019	March 31, 2018
1 Year	2,194	2,280
2 to 5 years	986	665
6 to 10 years	1,853	1,411
More than 10 years	8,025	6,283

Actuarial assumption

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

	As at	
	March 31, 2019	March 31, 2018
Discount Rate (p.a.)	7.77%	7.78%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected rate of return on assets	7.77%	7.78%
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, 2019	March 31, 2018
Projected Benefit Obligation on Current Assumptions	6,429	5,380
Discount Rate: 1% increase	(383)	(293)
Discount Rate: 1% decrease	445	342
Future salary growth: 1% increase	301	257
Future salary growth: 1% decrease	(264)	(239)
Change in Rate of Employee Turnover : 1% Increase	167	139
Change in Rate of Employee Turnover : 1% Decrease	(191)	(160)


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

Expected Contribution

	Year ended	
	March 31, 2019	March 31, 2018
Prescribed Contribution	1,473	2,581

iii) Compensated absences

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

	As at	
	March 31, 2019	March 31, 2018
Compensated absences liability	2,226	1,068
Actuarial assumption		
Discount rate	7.77%	7.78%
Long-term rate of compensation increase	5.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 1,470 (PY ₹ 518)

40 Related party disclosures
a) Related parties and their relations

Name of Related Party	Relationship
SP Arrow Bio Polymer Products Private Limited	Associate Company
Sphere Bio Polymer Private Limited	
Mr. Shilpan P. Patel - Managing Director 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
Grace Paper Industries Private Limited Aquavista Limited Arrow Convertors Private Limited Avery Bio –Degradable Products Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

b) Transaction with Related Parties & Outstanding Balance as on March 31, 2018 and March 31, 2019 :

	Transactions for the year ended		Balances receivable/ (payable) as of	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<u>Mr. Shilpan P. Patel</u>				
Rent Expenses	1,080	960	(745)	(311)
Loan repaid and outstanding	(131)	-	-	(131)
<u>Arrow Convertors Private Limited</u>				
Rent Expenses	540	540	-	-
Purchases	-	971	-	(1,048)
<u>Aquavista Limited</u>				
Consultancy services received	1,998	2,394	-	-
<u>Impairment Loss on Investment in Associates</u>				
SP Arrow Bio Polymer Products Private Limited	-	46	-	-
Sphere Bio Polymer Private Limited	-	49	-	-
<u>Remuneration to Key Managerial Personnel & Relatives</u>				
Mr. Shilpan P. Patel - Managing Director	7,500	7,500	-	-
Mr. Neil Patel - Joint Managing Director	7,500	7,500	-	-
Mr. Hitesh Punglia - Chief Financial Officer	4,941	4,121	-	-
Mrs. Poonam Bansal - Company Secretary	975	845	-	-
Mrs. Jigisha S Patel	741	681	-	-
Mrs. Manisha Sindhi	200	-	-	-

41 Financial Instruments - Accounting Classifications and Fair Value Measurements

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

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

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

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

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

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

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


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

A	As at March 31, 2018	Carrying value			Fair value		
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2
Non Current Financial Assets							
Investments	-	2,94,634	-	2,94,634	2,94,634	-	-
Loans	4,034	-	-	4,034	-	-	-
Other financial asset	3,988	-	-	3,988	-	-	-
	8,022	2,94,634	-	3,02,656	2,94,634	-	-
Current Financial assets							
Trade Receivables	79,932	-	-	79,932	-	-	-
Cash and cash equivalents	2,90,524	-	-	2,90,524	-	-	-
Bank balances other than Cash and cash equivalents	5,120	-	-	5,120	-	-	-
Loans	1,463	-	-	1,463	-	-	-
Other financial assets	2,955	-	-	2,955	-	-	-
	3,79,994	-	-	3,79,994	-	-	-
Total	3,88,016	2,94,634	-	6,82,650	2,94,634	-	-
Current Financial liabilities							
Borrowings	507	-	-	507	-	-	-
Trade payables	25,080	-	-	25,080	-	-	-
Other financial liabilities	21,832	-	-	21,832	-	-	-
Total	47,419	-	-	47,419	-	-	-
B As at March 31, 2019							
B	As at March 31, 2019	Carrying value			Fair value		
		Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2
Non Current Financial assets							
Investments	-	1,66,017	-	1,66,017	1,66,017	-	-
Loans	4,517	-	-	4,517	-	-	-
Other financial asset	6,397	-	-	6,397	-	-	-
	10,914	1,66,017	-	1,76,931	1,66,017	-	-
Current Financial assets							
Trade Receivables	76,021	-	-	76,021	-	-	-
Cash and cash equivalents	1,77,018	-	-	1,77,018	-	-	-
Bank balances other than Cash and cash equivalents	6,401	-	-	6,401	-	-	-
Loans	1,049	-	-	1,049	-	-	-
Other financial assets	186	-	-	186	-	-	-
	2,60,675	-	-	2,60,675	-	-	-
Total	2,71,589	1,66,017	-	4,37,606	1,66,017	-	-
Current Financial liabilities							
Borrowings	369	-	-	369	-	-	-
Trade payables	34,276	-	-	34,276	-	-	-
Other financial liabilities	25,550	-	-	25,550	-	-	-
Total	60,195	-	-	60,195	-	-	-

During the reporting year ended March 31, 2019 and March 31, 2018, there was no transfer between level 2 and level 3 fair value measurements.



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

42 Financial risk management

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

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

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

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

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

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, 2019	March 31, 2018
Less than 180 days	65,992	35,129
From 181 - 365 days	4,862	45,448
More than 365 days	9,556	1,252
Total	80,410	81,829
Less : Impairment allowance	4,389	1,897
Total	76,021	79,932



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

Expected credit loss assessment for customers as at March 31, 2018 and March 31, 2019

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 March 31, 2017	685
Impairment loss recognised	1,212
Amounts written off / written back	-
Balance as at March 31, 2018	1,897
Impairment loss recognised	2,492
Amounts written off / written back	-
Balance as at March 31, 2019	4,389

Cash and bank balance

The Group held cash and bank balance with credit worthy banks and financial institutions of ₹ 1,83,419 and ₹ 2,95,644 as at March 31, 2019 and March 31, 2018 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's 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, 2019		March 31, 2018	
	Less than 1 year	1 to 3 years	Less than 1 year	1 to 3 years
Borrowings	-	369	507	-
Trade payables	34,276	-	25,080	-
Other financial liabilities	25,550	-	21,832	-
Bank Guarantee given	6,116	4,175	2,393	3,947

iii) Market risk

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

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


Notes to the Consolidated financial statements for the year ended March 31, 2019

(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	Total
March 31, 2019.				
Financial assets				
Investments	46,873	-	-	46,873
Trade receivables	1,896	6,595	458	8,950
Cash and cash equivalents	89,147	10,565	-	99,712
Net exposure to foreign currency risk (assets)	1,37,916	17,161	458	1,08,662
Financial Liabilities				
Trade payables	8,110	7,254	4,899	20,264
Less: Forward against Import	(2,179)	(5,389)	-	(7,568)
Other financial liabilities	-	-	5,438	5,438
Net exposure to foreign currency risk (liabilities)	5,931	1,865	10,337	18,133
Rupee Conversion Rate	69.17	77.70	90.48	
March 31, 2018				
Financial assets				
Investments	43,129	-	-	43,129
Trade receivables	1,725	49,844	2	51,571
Cash and cash equivalents	7,377	68,015	-	75,392
Net exposure to foreign currency risk (assets)	52,231	1,17,859	2	1,70,092
Financial Liabilities				
Trade payables	3,375	2,011	1,026	6,412
Other financial liabilities	-	-	-	-
Net exposure to foreign currency risk (liabilities)	3,375	2,011	1,026	6,412
Rupee Conversion Rate	65.04	80.62	92.28	

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, 2019		March 31, 2018	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US\$	935.51	(935.51)	346.29	(346.29)
EUR	108.42	(108.42)	821.15	(821.15)
GBP	(70.02)	70.02	(7.26)	7.26



Notes to the Consolidated financial statements for the year ended March 31, 2019

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

43 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group and borrowings. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its funds in a manner that it achieve maximum returns (net of taxes) with minimum risk to the capital and consider the liquidity concerns for its working capital requirements.

44 Business Combinations

A) Subsidiaries

The Group's subsidiaries as at March 31, 2019, March 31, 2018 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
		%	%	%	%	
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	100	49	-	Security based products
Arrow Secure Technology Private Limited	India	100	100	-	-	Security based products


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current assets	565	509	80,071	1,18,392	3,814	2,439
Current liabilities	38	9	4,782	5,283	6,474	9
Net current assets	527	500	75,290	1,13,110	(2,660)	2,431
Non Current assets	1,980	1,983	47,470	49,313	41,145	7
Non Current liabilities	-	-	369	1,668	43,292	-
Net non-current assets	1,980	1,983	47,101	47,645	(2,147)	7
Net assets	2,507	2,483	1,22,391	1,60,755	(4,807)	2,437
Accumulated NCI	1,228	-	15,130	19,683	(48)	24

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	105	54	16,022	64,509	128	69
Profit for the year	24	(17)	(35,712)	(20,640)	(7,244)	(63)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	24	(17)	(35,712)	(20,640)	(7,244)	(63)
Profit allocated to NCI	12	-	(1,786)	(1,032)	(72)	(1)
Dividend paid to NCI	-	-	-	2,769	-	-

Summarised cash flows	LQ Arrow Security Products (India) Private Limited (49%)		Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash flows from operating activities	(24)	(74)	(42,274)	7,389	(28,729)	(61)
Cash flows from investing activities	105	(1,946)	3,376	(44,927)	(14,313)	-
Cash flows from financing activities	-	2,500	-	(52,288)	43,180	2,500
Net increase/(decrease) in cash and cash equivalents	81	480	(38,898)	(89,826)	138	2,439


Notes to the Consolidated financial statements for the year ended March 31, 2019

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

C) Transactions with non-controlling interests

There are no transaction with non controlling interest in FY 2018-19 and FY 2017-18.

D) Interests in associates

Set out below are associates of the group as at March 31, 2019 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
SP Arrow Bio Polymer Products Private Limited	India	46	-*	-*	-	-
Sphere Bio Polymer Private Limited	India	49	-*	-*	-	-

*Unlisted entity- no quoted price available.

45 Additional information as required by Part III of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013.

	Net assets, i.e., total assets minus total liabilities		Share of profit		Share of Other Comprehensive income		Share of Total Comprehensive income	
	Amount	As % of consolidated net asset	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Comprehensive income	Amount	As % of consolidated total Comprehensive income
Arrow Greentech Limited	4,68,091	60%	(62,138)	37%	(188)	2%	(62,326)	36%
Arrow Green Technologies (UK) Limited (consolidated)	3,12,726	40%	(97,411)	58%	(7,484)	98%	(1,04,895)	60%
Arrow Secure Technology Private Limited	65	0%	(31)	0%	-	0%	(31)	0%
Avery Pharmaceuticals Private Limited	(4,807)	-1%	(7,244)	4%	-	0%	(7,244)	4%
LQ Arrow Security Products (India) Private Limited	2,507	0%	24	0%	-	0%	24	0%
Total	7,78,582		(1,66,802)		(7,672)		(1,74,474)	



Notes to the Consolidated financial statements for the year ended March 31, 2019
(All amounts in Indian ₹ in thousand unless otherwise stated)

46 AOC - 1

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

Part A: Subsidiaries

Name of Subsidiary Company	Reporting currency & Eq. in ₹	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Investment	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
Arrow Green Technologies (UK) Limited	INR	1,819	2,05,941	2,09,439	1,680	2,270	7,857	(73,159)	(9,013)	(64,146)	-	100
Advance IP Technologies Limited	GBP INR	20 90	2,276 1,22,300	2,315 1,27,541	19 5,150	25 47,076	86 18,177	(797) (36,867)	(98) (1,155)	(699) (35,712)	-	95
Arrow Secure Technology Private Limited	GBP	1	1,352	1,410	57	520	198	(402)	(13)	(389)	-	100
Avery Pharmaceuticals Private Limited	INR	4,313	(4,248)	83	18	-	-	(31)	-	(31)	-	99
LQ Arrow Security Products (India) Private Limited	INR	2,500	(7,307)	44,958	49,765	-	128	(7,133)	111	(7,244)	-	51

Exchange rates	INR	GBP
31-Mar-19	Avg. Rate	91.76
	Closing Rate	90.48

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

Name of Associate Company	Last audited Balance Sheet date	Share of associate held by the Company on the year end		Net worth attributable to share holding as per the latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate is not consolidated
		Nos.	Amount of investment in associate		Extent of holding (%)	Considered in consolidation		
SP Arrow Bio Polymer Products Private Limited	31-Mar-19	4,600	46	(2,494)	-	(13)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-19	4,900	49	(47)	-	(59)	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, 2019

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

47 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-19			
Financial assets			
Derivate assets	10	(10)	-
Financial liabilities			
Derivative liabilities	2,191	(10)	2,181
31-Mar-18			
Financial assets			
Derivate assets	2,208	-	2,208
Financial liabilities			
Derivative liabilities	-	-	-

48 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 : May 18, 2019



Route map for the venue of the 27th Annual General Meeting



**ARROW GREENTECH LIMITED**

CIN: L21010MH1992PLC069281

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

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

Dear Member,

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

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

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

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

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

i. Physical Shares

In order to avail the ECS facility, we request you to provide us the requisite details in the form given overleaf and submit the same to the Company at its Registered Office at Arrow Greentech Limited, Solitaire Corporate Park, Bldg No.3, 7th Floor, Unit No.372, Guru Hargovindji Marg, Chakala, Andheri(E), Mumbai- 400093 before the dividend for the current financial year is paid to you. The information should be accurate and complete in all respects and in order to prevent any incorrect particulars being entered, we request you to enclose photocopy of a Cheque for verifying the accuracy of MICR Code No. and other particulars.

ii. Demat Shares

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

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

Assuring you of our best services.

Thanking you.
Yours faithfully,

For Arrow Greentech Limited

Company Secretary



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

Date:

Dear Sir,

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

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

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

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

Signature of the first named shareholder

Name _____

Address _____

Tel No. _____

ARROW GREENTECH LIMITED

CIN: L21010MH1992PLC069281

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

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

ATTENDANCE SLIP

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company on Saturday the September 07, 2019 at 10.30 a.m. at The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093.

Name: _____

Address: _____

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

Client ID: _____ DP ID: _____

Name of Proxy/Representative, if any: _____

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

ARROW GREENTECH LIMITED

CIN: L21010MH1992PLC069281

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

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

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

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

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

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

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

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

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

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

.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on the Saturday the September 07, 2019 at 10.30 a.m. at The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai - 400 093, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions
1	Adoption of Annual Accounts of the Company as on March 31, 2019
2	Declaration of Dividend on Equity Shares
3	Re-appointment of Mr. Neil Patel, retiring by rotation and being eligible, offering himself for re-appointment
4	Re-appointment of Mr. Harish Mishra as an Independent Director
5	Re-appointment of Mr. Dinesh Modi as an Independent Director
6	Re-appointment of Mr. Haresh Mehta as an Independent Director

Signed this _____ day of _____ 2019

Signature of Shareholder(s): _____

Signature of Proxy(s): _____

Affix
Re. 1/-
Revenue
Stamp

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

Watersol

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



Klänz Pro

used by professionals

<p>100% ECO-FRIENDLY</p>		<p>High concentrated bio-degradable products Reduced use of raw materials and packaging Reduced use of energy on the production process 75% less CO₂ emissions during transport No plastic packaging (water soluble pouches) and carton casing</p>
<p>APPLICATION COST CONTROL</p>		<p>Precise control over product consumption, same dosage every time No more waste management costs</p>
<p>OCCUPATIONAL RISKS MANAGEMENT</p>		<p>Safe handling, no direct contact with chemical product 85% reduction on loading weight Easier and more convenient (pouch dissolves in water) Dosing system not required</p>
<p>REDUCES 85% STORAGE ROOM AND TRANSPORT</p>		<p>Reduced volume thanks to its high Concentration formula</p>

Floor Cleaner



Glass Cleaner



Air Fresheners



Bathroom Cleaner



Dishwasher



Laundry



Production Unit (Ankleshwar)





Corporate Office :

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