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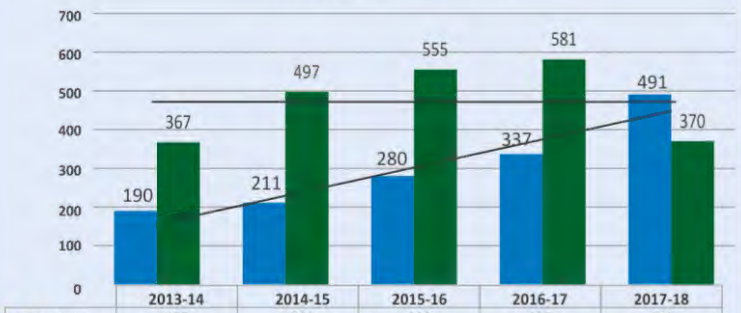
ARROW GREENTECH LTD.

Innovative
Eco-friendly
Solutions

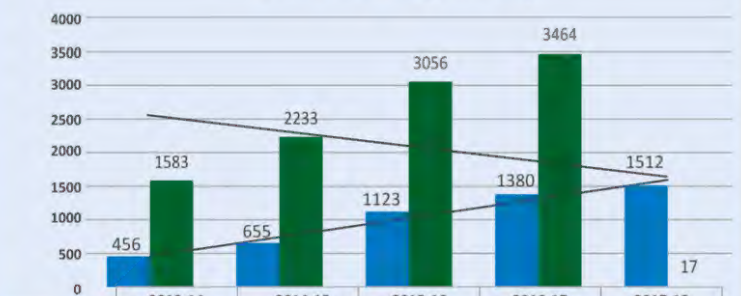
26th ANNUAL REPORT 2017-2018

www.arrowgreentech.com

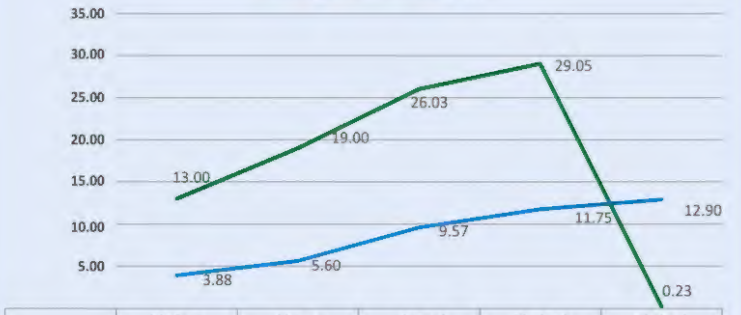
Financial Highlights at a glance



	2013-14	2014-15	2015-16	2016-17	2017-18
Standalone	190	211	280	337	491
Consolidated	367	497	555	581	370



	2013-14	2014-15	2015-16	2016-17	2017-18
Standalone	456	655	1123	1380	1512
Consolidated	1583	2233	3056	3464	17



	2013-14	2014-15	2015-16	2016-17	2017-18
Standalone	3.88	5.60	9.57	11.75	12.90
Consolidated	13.00	19.00	26.03	29.05	0.23

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Chairman Message

Dear Stakeholders and Partners,

I sincerely believe it is time to reflect and look back at the year gone by ending March 2018, certain developments, like macro environment, global concerns on various economies, and events affecting our patent licensees etc., have greatly influenced almost every corporate entities. These are not in everyone's control. Your company did see some slowdown in the second half onwards, and I take 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 of focusing in Swachh Bharat (Clean India), Secure India and Green India.

Our clients in Europe have gone under pressure from slowing down of the European economy, due to the US President's Make in USA and America First policy pronouncements resultantly, we decided to de-risk our business model, and focus on Make in India projects and getting ready to enter with proper strategies into the US markets. As we all know that this shift necessitates fresh thinking and innovation. We now have new team members, who are aligned to this new thought process, and are now getting active in identifying varied technology partners in Europe and UK.

Brexit will be beneficial to your company, as Arrow's UK subsidiary companies will gain importance while opening the Indian and European markets. We have been focusing on newer and greener technology, like using Graphene to replace carbon black, and this vision will fructify in the coming years. Arrow UK has been working with some leading technology partners in UK, for this project.

We continued to do what we do best: deliver innovative and environmental-friendly solutions to our customers and to drive the performance of your Company, while ensuring a focus on sustainability. We demonstrated resilience and strength to withstand a difficult economic environment.

This innovation-driven-approach and an eye for newer technology partners, and going forward our focus will be on operational efficiency, in production processes and technology absorption, in India, which will certainly add to the bottomline in coming years. The company has taken many strategic initiatives in the last year to achieve its vision of being a leader in innovative green technologies. This aspiration continues to ignite our creativity, energize us, enables us to deliver what we commit, which ultimately, generates value for our shareholders.

Your company continues to tread on the path of transformational journey of sustained growth. To achieve strong growth consistently development of organizational capabilities is very much essential. The Company has continued to make meaningful investments in people, processes, Research & Development, Intellectual Property and Technology. These cost outlays are long term investments for the future. We will keep on looking out for potential profitable avenues, which will continue to create long term value for the shareholders.

The Patent business I assure you, continues to be the central focus point of the Company. We have presently 38 patents granted in India and across various geographical regions in the field of health& hygiene, high strength paper, security, packaging etc. Our product development team is continuously working on the development of new products and filing new patents to secure the Company's IP portfolio. Also on tangible assets side, we undertook an expansion in our Ankleshwar factory. The new plant, with better technology, commissioned in previous year, has now stabilized its production processes, and have developed high value water soluble films (WSF) for packaging liquids and other cleaning agents. We are confident of delivering world class WSF and taking forward our partnership with Proquimia a Spanish company having world leadership in their business segment, with this expansion, we expect increased revenue and profitability for our Water Soluble Film and Klenz division.

While on this, let me assure you once again that your company shall continue to initiate investment in varied business opportunities in general and GDI's "Make in India" projects in particular to derive greater augmentation of overall business.

I express my sincere gratitude to our shareholders, long term investors and our dedicated team members, who have kept faith in your company. I feel proud in acknowledging the contribution of every single member of team, for having faith in the Company and delivering the best. Lastly, let me re-assure you that the Company shall strive continuously to enhance shareholders and other stakeholder's values in every possible way. Again, I would like to acknowledge the continued support and co-operation from all of you.

Thanking You,

Shilpan Patel
Chairman& Managing Director

Mr. Shilpan Patel, aged 62 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, Ahemedabad.

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 32, 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 65 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 67, 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 66 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 86 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 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 32 years, is a lawyer and had done her L.L.B from Mumbai University. Currently she is working as an associate at Legasis Partners, a law firm having offices in Mumbai, Delhi, Pune and Hyderabad and having diverse experience in the real estate field and in public trust matters. She has vast experience of around 10 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. Suneeta Thakur	Independent Director (Resigned w.e.f. 21st February 2018)
Ms. Aradhana Singh	Additional (Independent) Woman Director (Appointed w.e.f. 29th May 2018)

COMPANY SECRETARY :
Ms. Poonam Bansal

CHIEF FINANCIAL OFFICER:
Mr. Hitesh Punglia

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

WORKS :
5310/5311 - GIDC,
ANKLESHWAR - 393 002

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

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.

REGISTRAR AND SHARE TRANSFER AGENTS :
Link Intime India Private Limited
C 101, 247 Park,
L.B.S.Marg, Vikhroli (West),
Mumbai - 400083.

BANKERS :
Bank of Baroda
HDFC Bank Ltd
Kotak Mahindra Bank

NOTICE

Notice is hereby given that the 26th Annual General Meeting of Arrow Greentech Ltd. will be held on, Saturday the 15th September 2018 at 10.30 a.m. at The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as on 31st March, 2018 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares for the the year ended 31st March, 2018.
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. To appoint Ms. Aradhana Singh (DIN: 08141485) as an Independent Woman Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, Ms. Aradhana Singh (DIN: 08141485), who was appointed as an Additional (Independent) Woman Director of the Company w.e.f. 29th May, 2018 pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 and whose term expires at this Annual General Meeting and in respect of whom Company has received notice under Section 160 of the said Act from the said Director proposing her candidature for the office of Director of the Company, be and is hereby appointed as Independent Woman Director of the Company, not liable to retire by rotation, office for a term of five years with effect from April 1, 2018 to March 31, 2023".

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

   "RESOLVED THAT pursuant to Section 188 and other applicable provisions of The Companies Act, 2013 if any, approval of the members be and is hereby accorded for entering into related party transactions by the Company, with effect from 1st April, 2018 up to the maximum amounts per annum as appended below:

   The below items are in addition to the approval already taken.

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

MAXIMUM VALUE OF CONTRACT /TRANSACTION (PER ANNUM) W.E.F 1ST APRIL, 2018					**(₹ In Crores)**
	Transaction defined u/s 188 (1) of the Companies Act, 2013				
	Sale, purchase or supply of any goods or materials;	**Selling or otherwise disposing of, or buying, property of any kind**	**Leasing of property of any kind**	**Availing or Rendering of any services;**	**Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company;**
	(a)	**(b)**	**(c)**	**(d)**	**(e)**
SUBSIDIARY COMPANY					
LQ Arrow Security Products (India) Private Limited	10	-	-	10	-
RELATIVES OF DIRECTORS under section 2(76) of the Companies Act, 2013					
Mrs. Manisha Sindhi	-	-	-	-	0.12
***DIRECTORS/ KMP'S / RELATIVES OF DIRECTORS AND KMPs / OTHER FIRMS AND COMPANIES in which directors have some interest as per the provisions of section 2(76) of the Companies Act, 2013**	-	-	-	-	-
Soluble System Private Limited	10	-	-	1	-

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

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

NOTES:

1. 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 12th September 2018 to Saturday, 15th September 2018 (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 2016-17 (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 14, 2018. 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 2nd August, 2018 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 three (3) 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 12th September, 2018 (9:00 am) and ends on 14th September 2018 (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 8th September 2018, 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 is 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.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
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 mentioned 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.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 8th September, 2018.
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. 8th September, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. and may cast their vote by remote e-voting or at the AGM.
6. 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.
7. 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.
8 The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
9. 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 32 years, is Msc. (Bio medical science) from Kingston College, London. He possesses good entrepreneurship skills. He is associated with the Company since last 2009. He is also Director in Avery Bio-Degradable Products Private Limited, Arrow Agri-Tech Private Limited, Sphere Bio-polymer Pvt. Ltd and Advance Iris Security Products Private Limited and Arrow Green Technologies (UK) Ltd. & Advance IP Technologies Ltd. He is also a member of Audit Committee and Stakeholder Relationship Committee of the Company. As on 31st March 2018, he held 4,19,810 shares in the Company.

Ms. Aradhana Singh, aged 32 years, is a lawyer and had done her L.L.B from Mumbai University,. Currently she is working as an associate at Legasis Partners, a law firm having offices in Mumbai, Delhi, Pune and Hyderabad and having diverse experience in the real estate field and in public trust matters. She has vast experience of around 10 years in the field of legal sector.

Item No.4:

Ms. Aradhana Singh, who has been appointed by the Board of Directors as an Additional (Independent) Woman Director of the Company w.e.f 29th May 2018 hold office upto the date of this Annual General Meeting, pursuant to the provisions of Section 161 of the Companies Act 2013 and a notice has been received from a member as required under Section 160 of the Companies Act, 2013, signifying his intention to propose Ms. Aradhana Singh as an Independent Woman Director of the Company under Section 149, Schedule IV and other applicable provisions of the Companies Act, 2013 and Chapter-IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance to hold office for a term of 5 (five) consecutive years with effect from 1st April 2018 to 31st March 2023. Ms. Aradhana Singh has confirmed that she is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given her consent to act as Director of the Company.

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

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

Except Ms. Aradhana Singh and her relatives none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in this resolution. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No.5:

The Board of Directors at its meeting held on August 2, 2018 approved for entering into related party transactions by the Company up to the maximum amounts per annum as appended above:

Since the share capital of the Company exceeds ₹ Ten crores approval of the Members by way of Special Resolution is required.

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

1.	**Name of the related party**	**Mrs. Manisha Sindhi**	**Soluble System Private Limited**	**LQ Arrow Security Products (India) Pvt. Ltd.**
	Name of the director or key managerial personnel or their relative who is related party	Mr. Neil Patel	Ms. Jigisha Patel Mr. Rishil Patel Mrs. Manisha Sindhi	Mr. Shilpan Patel Mr. Neil Patel
	Nature of relationship	Mrs. Manisha Sindhi is wife of Mr. Neil Patel	Relative of Mr. Shilpan Patel & Mr. Neil Patel are member	Subsidiary Company
	Nature, material terms, monetary value, and particulars of the contract or arrangement	Mrs. Manisha Sindhi has been appointed by the board as an employee of the Company, (i.e. to hold an office or place of profit under the Company), with such designation as the Board of Directors of the Company may, from time to time decide at a salary of ₹ 25,000/- per month and her remuneration is proposed to be revised annually.	Sale, purchase or supply of and goods or material.	Sale, purchase or supply of and goods or material.

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

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

By order of the Board of Directors
For Arrow Greentech Limited

Poonam Bansal
Company Secretary

Mumbai, 2nd August 2018

Registerted 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 26th Annual Report on the operations of the Company, together with the Audited Accounts for the year ended 31st March, 2018.

Financial Results

(₹ in thousands)

Particulars	2017-2018	2016-2017
Total income	4,91,319	3,37,265
Profit (Loss) before finance cost, Depreciation and Amortization expenses, exceptional items & Tax	2,21,621	1,79,989
Less : Finance Cost	-	-
Less : Depreciation and Amortization expenses	40,314	12,542
Less: Exceptional items	-	-
Profit Before Tax	1,81,307	1,67,447
Less : Provision for Taxation		
- Current Tax	32,276	22,134
- Deferred Tax	(2,442)	5,773
- Earlier Year Adjustments	-	1,588
Profit for the year	1,51,473	1,37,952
Other Comprehensive Income	266	21
Profit for the year after other comprehensive income	1,51,207	1,37,973
Add : Balance brought forward	2,59,945	1,43,167
Less : Tax & Dividend Adjustment (related to previous year)	65,747	21,195
Balance carried to Balance Sheet	3,45,406	2,59,945

Indian Accounting Standard

The Ministry of Corporate Affairs (MCA) on February 16, 2015 notified that Indian Accounting Standard (Ind AS) are applicable to certain classes of companies from April 1, 2016 with a transition date of April 1, 2015 and certain classes of companies from April 1, 2017 with a transition date of April 1, 2016. Ind AS has replaced the previous Indian GAAP prescribed under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules, 2014. Ind AS is applicable to the company from April 1, 2017.

The reconciliation and description of the effects of the transition from previous GAAP to Ind AS have been set out in Note No. 3 in the notes to accounts in Standalone Financial Statement and Note No. 3 in the notes to accounts in the Consolidated Financial Statement.

Operations

The total income from operations including other income for the financial year under review amounted to ₹ 4913.19 Lacs as compared to ₹ 3372.65 Lacs in the previous year. The Company has earned net profit of ₹1512.07 Lacs (including other comprehensive income) as compared to ₹ 1379.73 Lacs in the previous year. After adjustment of brought forward balance of ₹ 2599.45 Lacs from previous year and payment of dividend (including corporate dividend tax) of ₹ 657.47 Lacs for previous year,₹3454.06 Lacs has been carried to the Balance Sheet.

Transfer to Reserves

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

Business outlook and future prospects

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

Dividend

Your Directors have recommended a Dividend of 20% on 11,73,9,948 Equity Shares of the face value of ₹10/- i.e. ₹ 2/- per equity share for the financial year ended 31st March 2018 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 earnings and outgo

Foreign Exchange earnings – ₹ 3333.5Lacs (previous year ₹. 2308.3Lacs)

Foreign Exchange outgo – ₹ 514.4 Lacs (previous year ₹ 220.8 Lacs)

Auditors and Auditors' Report

Statutory Auditors

M/s. Haribhakti & Co. LLP, the Statutory Auditors of the Company will hold office till the ensuing Annual General Meeting. As per provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, an audit firm can be appointed as Statutory Auditors of the Company only for two terms each term consisting of five consecutive years. Further, the audit firm which has been occupying the office of auditors of the Company for more than seven years prior to implementation of the Companies Act, 2013, are eligible to hold office for additional three years only.

M/s. Haribhakti & Co. LLP, the Statutory Auditors of the Company who hold office until the conclusion of the ensuing Annual General Meeting, is proposed to be re-appointed as Statutory Auditors of the Company for the financial year 2018-19. The said Auditor have given a written consent and also issued Certificate pursuant to Section 139 of the Companies Act, 2013.

The Notes on Financial Statement referred to in the Auditors Report's are self -explanatory and do not call for further comments. The Auditor's Report does not contain any qualifications, adverse remark.

Secretarial Auditor

The Board has appointed M/s Rajendra & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 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 loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

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

Subsidiaries

As on March 31, 2018 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 (WOS of the Company)

Direct Foreign subsidiary

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

Step down subsidiary

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

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

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

The Company has also formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company i.e. www.arrowgreentech.com and can be accessed at http://www.arrowgreentech.com/images/policies/ Policy_on_Material_ Subsidiaries.pdf

Consolidated Financial Statements

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

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

Corporate Governance

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

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

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

Internal control systems and their adequacy

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

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

Internal Financial Controls

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

Extract of Annual Return

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

Share Capital

The Paid up Share Capital as on 31.3.2018 was ₹11.74 crore. During the year under review, the Company has not issued any shares.

Directors and Key Managerial Personnel

Ms. Suneeta Thakur, Woman Director has resigned from the Board of Directors of the Company, on 21st February 2018. The Board places on record her appreciation for the contribution in the overall growth of the Company during her tenure as Director.

The Board, upon the recommendations of the Nomination and Remuneration Committee, at its Meeting held on 29th May 2018, appointed Ms. Aradhana Singh (DIN:08141485) as an Additional (Independent) Woman Director. w.e.f. 29th May 2018. Necessary resolution for seeking approval of members for his appointment in the said office is included in the Notice of Annual General Meeting.

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

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

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

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. Shilpan Patel, Chairman & Managing Director, Mr. Neil Patel, Jt. Managing Director, Mr. Hitesh Punglia, Chief Financial Officer, and Ms. Poonam Bansal, Company Secretary of the Company. The Remuneration and other details of Key Managerial Personnel for the financial year ended March 31, 2018 are mentioned in the Extract of the Annual Return which is attached to the Board's Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Meetings

During the year five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Further, a separate Meeting of the Independent Directors of the Company was also held on 13th February, 2018, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

Audit Committee

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 up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Risk management policy

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

Directors' Responsibility Statement

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

i) in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March, 2018 and of the profit/loss of the Company for the period under review;

iii) the directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the directors had prepared the accounts on a going concern basis.

v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Industrial Relations

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

General

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

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

Acknowledgments:

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

Neil S. Patel
Jt.Managing Director
DIN:00607101

Place: Mumbai
Date: May 29, 2018

ANNEXURE I

FORM NO. MR 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2018** 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

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

5. 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
6. Income Tax Act, 1961 related to Tax Deducted at source and related to Advance tax
7. Goods and Service Tax, Act.
8. Sales tax related to the filing of Returns and Payment of Taxes.
9. Central Excise related to filing of RT 12 Returns ER-1 & ER-6 or 5
1o. Land Revenue laws of respective States.

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange Limited and BSE Limited

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

I further report that

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

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

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

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

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

(1) Appointment of the Managing Director and the Joint Managing Director

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

(3) Alteration in the Memorandum of Association

For Rajendra and Co.,
Company Secretaries

(Rajendra Vaze)
Practicing Company Secretary

FCS No . 4247
C.P. No 1975

Place: Mumbai
Date : May 29, 2018

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

ANNEXURE A

To The members
Arrow Greentech Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, Rules and Regulations and happening of events, etc

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Rajendra and Co.,
Company Secretaries

(Rajendra Vaze)
Practicing Company Secretary

FCS No . 4247
C.P. No 1975

Place: Mumbai
Date: May 29, 2018

ANNEXURE II

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

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

(₹ in '000)

Sl. No.	Particulars	Details	Details	Details	Details	Details
1.	Name of the subsidiary	Arrow Green Technologies (Uk) Ltd	*Advance IP Technologies Ltd	Arrow Secure Technology P. Ltd	Avery Pharmaceutical P. Ltd	LQ Arrow Security Products (India) P. Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding Co	Same as Holding Co	Same as Holding Co	Same as Holding Co	Same as Holding Co
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	GBP, Closing Rate 1 GBP= ₹92.28 Avg. Rate 1 GBP = ₹85.50	GBP, Closing Rate 1 GBP= ₹92.28 Avg. Rate 1 GBP = ₹85.50	₹	₹	₹
4.	Share capital	1,854.92	92.28	4,312.75	2,500.00	2,500.00
5.	Reserves & surplus	3,34,856.97	1,60,662.19	(4,216.36)	(62.58)	(16.68)
6.	Total assets	3,38,282.01	1,67,705.63	141.78	2,445.92	2,492.33
7.	Total Liabilities	1,570.14	6,951.11	45.63	8.50	9.01
8.	Investments	2,315.42	43,681.66	-	-	1,983.06
9.	Turnover	1,87,090.00	64,509.00	-	68.58	37.09
10.	Profit before taxation	5,506.84	(21,204.32)	(49.25)	(62.58)	(16.68)
11.	Provision for taxation	1,388.09	(563.93)	-	-	-
12.	Profit after taxation	4,118.75	(20,640.39)	(49.25)	(62.58)	(16.68)
13.	Proposed Dividend	-	-	-	-	-
14.	% of shareholding	99.99%	-	99.99%	99.00%	99.99%

Notes:

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

1. Names of subsidiaries which are yet to commence operations - **Avery Pharmaceutical Pvt. Ltd & LQ Arrow Security Products (India) Pvt. Ltd**

2. Names of subsidiaries which have been liquidated or sold during the year. – NO

   * Step-down Subsidiary Company

Part "B": Associates and Joint Ventures

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

(₹ In'000)

	Name of associates/Joint Ventures	**SP Arrow Bio Polymer Products Pvt. Ltd.**	**Sphere Bio Polymer Pvt. Ltd.**
1.	Latest audited Balance Sheet Date	31.03.2018	31.03.2018
2.	Shares of Associate/Joint Ventures held by the company on the year end		
	No. of Shares	4,600	4,900
	Amount of Investment in Associates/Joint Venture (₹)	46,000	49,000
	Extend of Holding%	46%	49%
3.	Description of how there is significant influence	Having control of participating in financial Policy of the company	Having control of participating in financial Policy of the company
4.	Reason why the associate/joint venture is not consolidated	Because the company does not have more than 51% shareholding directly or indirectly, i.e. no controlling interest.	Because the company does not have more than 51% shareholding directly or indirectly, i.e. no controlling interest.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	(5,408.14)	(35.02)
6.	Profit/(Loss) for the year	(596.16)	(41.06)
	i. Considered in Consolidation	-	-
	ii. Not Considered in Consolidation	(596.16)	(41.06)

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

ANNEXURE III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L21010MH1992PLC069281
2	Registration Date	30th October, 1992
3	Name of the Company	Arrow Greentech Limited
4	Category/Sub-category of the Company	Public Company – Limited by Shares
5	Address of the Registered office & contact details	Solitaire Corporate Park, Bldg No 3, 7th Floor, Unit No 372 Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093. Ph. No.: 022 4074 9000 Email – poonam@arrowgreentech.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel No. 022- 49186000 / Fax No. 022- 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Royalty Income -Patent	77	62%
2	Manufacturing of Water Soluble Film	222	17%
3	Other	46	20%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	**Arrow Secure Technology Pvt. Ltd.** 159, Mittal Industrial Estate, Sanjay Building No.5/B, Marol Naka Andheri (East) Mumbai, MH 400059 IN	U74999MH2006PTC165191	Subsidiary	99.98%	2(87)
2	**Arrow Green Technologies (UK) Ltd** 14 Burman Road, Liverpool L19 6PN.	Foreign Company	Subsidiary	99%	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	100%	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	100%	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-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% 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	69,83,971	-	69,83,971	59.49	64,83,971	-	64,83,971	55.23	-4.26
(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	-
	Sub Total (A)(1)	81,79,985	-	81,79,985	69.68	76,79,985	-	76,79,985	65.42	-4.26
[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)	**81,79,985**	**-**	**81,79,985**	**69.68**	**76,79,985**	**-**	**76,79,985**	**65.42**	**-4.26**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds / UTI	-	19,600	19,600	0.17	9,29,581	19,600	9,49,181	8.09	7.92
(b)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Alternate Investment Funds	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Foreign Venture Capital I nvestors	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Foreign Portfolio Investor	93,382	-	93,382	0.79	1,53,007	-	1,53,007	1.30	0.51
(f)	Financial Institutions / Banks	21,578	-	21,578	0.18	8,878	-	8,878	0.07	-0.11
(g)	Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
(h)	Provident Funds/ Pension Funds	-	-	-	0.00	-	-	-	0.00	0.00
(i)	Any Other (Specify)									
	Foreign Mutual Fund	-	-	-	-	-	-	-	0.00	0.00
	Sub Total (B)(1)	**1,14,960**	**19,600**	**1,34,560**	**1.15**	**10,91,466**	**19,600**	**11,11,066**	**9.46**	**8.32**
[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.	13,03,155	1,67,227	14,70,382	12.52	13,65,874	1,60,827	15,26,701	13.00	0.48
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,81,118	93,700	11,74,818	10.00	5,33,729	93,700	6,27,429	5.34	-4.66

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	NBFCs registered with RBI	-	-	-	0.00	-	-	-	0.00	0.00
(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	91,863	-	91,863	0.78	1,18,847	-	1,18,847	1.01	0.23
	Foreign Companies	-	1,80,000	1,80,000	1.53	-	1,80,000	1,80,000	1.53	0.00
	Non Resident Indians (Non Repat)	9,312	7,300	16,612	0.14	16,940	7,300	24,240	0.21	0.07
	Non Resident Indians (Repat)	93,862	-	93,862	0.8	1,21,175	-	1,21,175	1.03	0.23
	Foreign Portfolio Investor (Individual)	-	-	-	0.00	100	-	100	0.00	0.00
	Clearing Member	54,307	-	54,307	0.46	1,20,454	-	1,20,454	1.03	0.56
	Bodies Corporate	3,25,359	18,200	3,43,559	2.94	2,11,751	18,200	2,29,951	1.95	-0.97
	Sub Total (B)(3)	**29,58,976**	**4,66,427**	**34,25,403**	**29.17**	**24,88,870**	**4,60,027**	**29,48,897**	**25.12**	**-4.06**
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	**30,73,936**	**4,86,027**	**35,59,963**	**30.32**	**35,80,336**	**4,79,627**	**40,59,963**	**34.58**	**4.26**
	Total (A)+(B)	**1,12,53,921**	**4,86,027**	**1,17,39,948**	**100.00**	**1,12,60,321**	**4,79,627**	**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)	**1,12,53,921**	**4,86,027**	**1,17,39,948**	**100.00**	**1,12,60,321**	**4,79,627**	**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-2017)			No. of Shares held at the end of the year (As on 31-March-2018)			% 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	33,26,342	28.33	0.00	32,26,342	27.48	0.00	-0.85
2	JIGISHA S PATEL	17,18,503	14.64	0.00	15,18,503	12.93	0.00	-1.70
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	5,20,000	4.43	0.00	4,20,000	3.58	0.00	-0.85
6	NEIL S PATEL	5,19,810	4.43	0.00	4,19,810	3.58	0.00	-0.85
	Total	81,79,985	69.68	0.00	76,79,985	65.42	0.00	-4.26

(iii) Change in Promoter's holding

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1st April 2017		Transactions during the year		Cumulative Shareholding at the end of the year 31st March 2018	
		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	33,26,342	28.33			33,26,342	28.33
	Transfer			30 Jun 2017	(1,00,000)	33,26,342	27.48
	AT THE END OF THE YEAR					32,26,342	27.48
2	JIGISHA S PATEL	17,18,503	14.62			17,18,503	14.64
	Transfer			30 Jun 2017	(2,00,000)	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	5,20,000	4.43			5,20,000	4.43
	Transfer			30 Jun 2017	(1,00,000)	420,000	3.58
	AT THE END OF THE YEAR					420,000	3.58
6	NEIL S PATEL	5,19,810	4.48			519,810	4.43
	Transfer			30 Jun 2017	(1,00,000)	419,810	3.58
	AT THE END OF THE YEAR					419,810	3.58

(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 1st April 2017		Transactions during the year		Cumulative Shareholding at the end of the year 31st March 2018	
		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	**DSP BLACKROCK SMALL CAP FUND**	-	0.00			-	0.00
	Transfer			30 Jun 2017	4,71,698	4,71,698	4.02
	Transfer			14 Jul 2017	34,500	5,06,198	4.31
	Transfer			21 Jul 2017	25,000	5,31,198	4.52
	Transfer			11 Aug 2017	28,890	5,60,088	4.77
	AT THE END OF THE YEAR					5,60,088	4.77
2	**SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES VI**	-	0.00			-	0.00
	Transfer			15 Sep 2017	2,83,415	2,83,415	2.41
	Transfer			29 Sep 2017	4,679	2,88,094	2.45
	Transfer			13 Oct 2017	48,363	3,36,457	2.87
	Transfer			27 Oct 2017	1,000	3,37,457	2.87
	Transfer			03 Nov 2017	2,280	3,39,737	2.89
	Transfer			10 Nov 2017	8,913	3,48,650	2.97
	Transfer			17 Nov 2017	5,000	3,53,650	3.01
	Transfer			01 Dec 2017	1,852	3,55,502	3.03
	Transfer			29 Dec 2017	8,869	3,64,371	3.10
	Transfer			02 Mar 2018	342	3,64,713	3.11
	AT THE END OF THE YEAR					3,64,713	3.11
3	**AQUAVISTA LIMITED**	1,80,000	1.53			1,80,000	1.53
	AT THE END OF THE YEAR					1,80,000	1.53

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

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1st April 2017		Transactions during the year		Cumulative Shareholding at the end of the year 31st March 2018	
		No.of Shares Held	% Of Total Shares Of The Company	Date of Transaction	No. of Shares	No.of Shares Held	% Of Total Shares Of The Company
4	**ASUTOSH PRAMODCHANDRA**						
	MEHTA	1,30,307	1.11			1,30,307	1.11
	AT THE END OF THE YEAR					1,30,307	1.11
5	**SAMIR P PATEL**	93,700	0.80			93,700	0.80
	AT THE END OF THE YEAR					93,700	0.80
6	**VIMAL SAGARMAL JAIN**	92,700	0.79			92,700	0.79
	AT THE END OF THE YEAR					92,700	0.79
7	**SLG INTERNATIONAL**						
	OPPORTUNITIES,L.P	71,142	0.61			71,142	0.61
	AT THE END OF THE YEAR					71,142	0.61
8	**PREMIER INVESTMENT FUND**						
	LIMITED	-	0.00			-	0
	Transfer			08 Sep 2017	20,000	20,000	0.17
	Transfer			15 Sep 2017	500	20,500	0.17
	Transfer			22 Sep 2017	4,500	25,000	0.21
	Transfer			29 Sep 2017	10,000	35,000	0.30
	Transfer			23 Mar 2018	12,800	47,800	0.41
	AT THE END OF THE YEAR					47,800	0.41
9	**SURESH GADALEY**	59,825	0.51			59,825	0.51
	Transfer			07 Apr 2017	(500)	59,325	0.51
	Transfer			21 Apr 2017	(200)	59,125	0.50
	Transfer			28 Apr 2017	(1,000)	58,125	0.50
	Transfer			05 May 2017	(400)	57,725	0.49
	Transfer			12 May 2017	(200)	57,525	0.49
	Transfer			19 May 2017	(475)	57,050	0.49
	Transfer			07 Jul 2017	(500)	56,550	0.48
	Transfer			21 Jul 2017	(2,000)	54,550	0.46
	Transfer			04 Aug 2017	(600)	53,950	0.46
	Transfer			25 Aug 2017	(100)	53,850	0.46
	Transfer			13 Oct 2017	(500)	53,350	0.45
	Transfer			10 Nov 2017	(1,000)	52,350	0.45
	Transfer			17 Nov 2017	(301)	52,049	0.44
	Transfer			08 Dec 2017	(200)	51,849	0.44
	Transfer			19 Jan 2018	(673)	51,176	0.44
	Transfer			09 Feb 2018	(1,200)	49,976	0.43
	Transfer			16 Feb 2018	(1,097)	48,879	0.42
	Transfer			23 Feb 2018	(1,000)	47,879	0.41
	Transfer			09 Mar 2018	(500)	47,379	0.40
	AT THE END OF THE YEAR					47,379	0.40
10	**NITA ASUTOSH MEHTA**	41,100	0.35			41,100	0.35
	AT THE END OF THE YEAR					41,100	0.35

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

SN	Name & Type of Transaction	Shareholding at the beginning of the year 1st April 2017		Transactions during the year		Cumulative Shareholding at the end of the year 31st March 2018	
		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
11	**SURESH KANMAL JAJOO**	1,45,787	1.24			1,45,787	1.24
	Transfer			14 Apr 2017	2,892	1,48,679	1.27
	Transfer			21 Apr 2017	6,392	1,55,071	1.32
	Transfer			05 May 2017	(12,287)	1,42,784	1.22
	Transfer			15 Sep 2017	(9,784)	1,33,000	1.13
	Transfer			22 Sep 2017	(33,000)	1,00,000	0.85
	Transfer			06 Oct 2017	(1,00,000)	-	-
	AT THE END OF THE YEAR					-	-
12	**PARAM CAPITAL RESEARCH**						
	PRIVATE LIMITED	1,39,910	1.19			1,39,910	1.19
	Transfer			05 May 2017	(1,39,910)	-	-
	AT THE END OF THE YEAR					-	-
13	**MUKUL MAHAVIR PRASAD AGRAWAL**	1,30,000	1.11			1,30,000	1.11
	Transfer			07 Jul 2017	(50,000)	80,000	0.68
	Transfer			14 Jul 2017	(25,000)	55,000	0.47
	Transfer			21 Jul 2017	(5,581)	49,419	0.42
	Transfer			28 Jul 2017	(2,515)	46,904	0.40
	Transfer			04 Aug 2017	(7,149)	39,755	0.34
	Transfer			18 Aug 2017	(8,005)	31,750	0.27
	Transfer			25 Aug 2017	(18,750)	13,000	0.11
	Transfer			01 Sep 2017	(13,000)	-	-
	AT THE END OF THE YEAR					-	-
14	**SHEELA VIMAL JAIN**	63,000	0.54			63,000	0.54
	Transfer			09 Mar 2018	(12,386)	50,614	0.43
	Transfer			16 Mar 2018	(14,944)	35,670	0.30
	Transfer			23 Mar 2018	(32,779)	2,891	0.02
	Transfer			30 Mar 2018	(2,891)	-	-
	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 1st April 2017		Cumulative Shareholding at the end of the year 31st March 2018	
				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			33,26,342	28.33%		0.00%
	Changes during the year	30-06-17	Transfer	1,00,000	0.85%	32,26,342	27.48%
	At the end of the year			32,26,342	27.48%		0.00%
2	**Mr. Neil Patel**						
	Jt. Managing Director						
	At the beginning of the year			5,19,810	4.43%		0.00%
	Changes during the year	30-06-17	Transfer	1,00,000	0.85%	4,19,810	3.58%
	At the end of the year			4,19,810	3.58%		0.00%
3	**Mr. Haresh Mehta**						
	Independent Director						
	At the beginning of the year			22,515	0.19%		0.00%
	Changes during the year	11-05-17	Transfer	5,700	0.05%	16,815	0.14%
	Changes during the year	03-08-17	Transfer	4,000	0.03%	12,815	0.11%
	Changes during the year	01-09-17	Transfer	4,000	0.03%	8,815	0.07%
	Changes during the year	05-10-17	Transfer	2,000	0.02%	6,815	0.05%
	At the end of the year			6,815	0.05%		0.00%
4	**Mr. Harish Mishra**						
	Independent Director						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			-	0.00%		0.00%
5	**Mr. Dinesh Modi**						
	Independent Director						
	At the beginning of the year			50	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			50	0.00%		0.00%
6	**Mr. Dinkarray D Trivedi**			-	0.00%		0.00%
	Independent Director						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			-	0.00%		0.00%
7	**Mr. Hitesh Punglia**						
	Chief Financial Officer						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			-	0.00%		0.00%
8	**Ms. Poonam Bansal**						
	Company Secretary						
	At the beginning of the year			27	0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year			27	0.00%		0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Amt. ₹ /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	Mr. Neil Patel	
		Chairman & Managing Director	Jt. Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	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. Suneeta Thakur (ID)	Mr. Dinesh Modi (ID)	Mr. Dinkarray D Trivedi	
1	Independent Directors						
	Fee for attending board committee meetings	2,20,000.00	2,20,000.00	1,40,000.00	1,20,000.00	1,30,000.00	8,30,000.00
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	2,20,000.00	2,20,000.00	1,40,000.00	1,20,000.00	1,30,000.00	8,30,000.00
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	2,20,000.00	2,20,000.00	1,40,000.00	1,20,000.00	1,30,000.00	8,30,000.00
	Total Managerial Remuneration						1,58,73,200.00
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors					

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹)
		Mr. Hitesh Punglia, Chief Financial Officer	Ms. Poonam Bansal, Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41,21,004.00	8,44,514.00	49,65,518.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,600.00	21,600.00	43,200.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission	-	-	
4	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	41,42,604.00	8,66,114.00	50,08,718.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE IV

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

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

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

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

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

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

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

   (i) Mr. Harish Mishra (Chairman)

   (ii) Mr. Haresh Mehta

   (iii) Mr. Shilpan Patel

3. **The Average net profit of the Company for last three financial years:** ₹ 1252.57 lacs

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

   Prescribed CSR expenditure for FY 2017-18 : ₹ 25.05 Lacs

   Unspent CSR amount carried forward from FY 2016-17 : ₹ 1.39 Lacs

   Total amount to be spent in CSR : ₹ 26.44 Lacs

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

   (a) Total amount spent for the financial year 2017-18 : ₹ 24.61Lacs

   (b) Amount unspent, if any : ₹ 1.83 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 Developement	-	20,00,000	20,00,000	20,00,000	20,00,000
2	Providing and Promoting Education	Education	-	25,000	25,000	25,000	25,000
3	Providing and Promoting Education	Education	-	4,36,123	4,36,123	4,36,123	4,36,123

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 ₹ 24.61 lacs. out of ₹ 26.44 lacs for the Financial Year 2017-18 as above and has utilized 93.06% 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: 29th May 2018

Shilpan Patel
Managing Director & CEO
DIN: 00341068

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

A. Bio-Compostable Products (Bioplast®):

An ecofriendly green solution 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.

Our government also has now 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.

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.

Arrow Greentech 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.

Biotec's expertise in bioplastics and Arrow's water soluble film technology together could revamp the packaging with sustainable solutions.

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.

B. Water Soluble Film (Watersol™):

Arrow Greentech Ltd, an ISO 9001:2008 certified company, is one of the leading manufacturers of cast water soluble film in the world. After tripling our capacity for **Watersol film** in Gujarat, with totally automated machines, we are concentrating our resources on our marketing and sales efforts to tap into the export market of Watersol film.

Our marketing strategy is to achieve a greater market share in the export market for the agrochemical sector and the health/hygiene sector which adds up to be around 70% of the water soluble film market in the world.

Our film has got varied applications in industries ranging from Agrochemicals, Construction, Chemical, Embroidery, Health& hygiene to Water transfer printing (3D printing).

According to certain research reports the PVA film market is approximately worth 580 million dollars for all water soluble film applications and is growing at approximately 5.2% CAGR.

Agrochemical sector:

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

"Water soluble packaging is for pesticides that are diluted with water before application. The soluble sacks are put directly into the spray tank where they dissolve and release their contents. There are two main advantages:

there is no operator exposure to the contents, as the packs do not require opening and there is no contaminated container to be recycled or disposed of.

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

Our Company has developed a wide range of water soluble films especially for the agrochemical industry which dissolves completely in water & meets WHO standards (solubility standards) as per CIPAC method without damaging the environment or causing any harm to humans and has no health hazards. Environmental agencies around the world has mandated that many Vector Control actives (like DDT, Lambda, Pyrethrins etc), weedicides, herbicides, insecticides etc must be packed in water soluble films. This increases the scope of **Watersol™** film market in India and neighboring countries. India has just scratched the surface of this end use. Internationally many agrochemicals are banned unless primarily packed in **Watersol™** film, thereby forcing manufacturers to supply

agrochemical in finished form to those companies to pack their products in **Watersol™** film. As Indian companies focus on exports of their agrochemicals, they demand for **Watersol™** film as compulsory packaging, mandated by environmental agencies such as United States environmental protection agency, will come to fore, and applications to CIB will increase and thereby increasing the demand for Indian **Watersol™** film.

Health hygiene sector:

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

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

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

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

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

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

C. KLENZ Pro:

In the previous year, Arrow launched automated air frangrancing for big hotel chains in India.

Along with our products for customers in General Cleaning, Kitchen Cleaning, Industrial Cleaning and Laundry Cleaning, we will now be able to carter to all their needs with our air fragrance solution. Our objective in this business is to provide Service, Cost reduction and a sustanable solution to our end clients.

Our technical partner Proquimia has helped us in growing the business in both India and Srilanka.

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 sustainibility, providing a comprehensive solution to the most demanding consumers.

Our teams hard work and persistence have helped us expand our presence in Srilanka along with all other major cities and states in West and South region of India with over 25+ distributors. Our major end clients are Hotels, Pharmaceutical plants, Manufacturing Industry, Auto Mobile Industry, Corporate offices, Facility management companies, Government bodies etc. We have expanded our product range with 80 products already introduced in the market and plan to expand the range further to about 90 products by 2019.

D. Security Products:

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

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

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

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

E. Patents and IPR SBU:

IPR is an important revenue stream for any Company. This year, Arrow has been granted 6 patents worldwide, One Patent in Australia for Method of Manufacturing Embedded Water Soluble film Carrier (Div. 3), Two Patents in Europe for High Strength Paper and High Security Paper, One Patent in USA for Method of Manufacturing Embedded Water Soluble film Carrier and Two Patents in India for Bio Degradable Smart Cards and High Security Paper. Currently we have 38 granted patents nationally and internationally across Europe, The USA, South Africa, Australia, Russia and India. Our patent has wide range of application across industries such as health & hygiene, embroidery, security, paper, packaging and printing. Some of these patents have changed the way many Detergents, Pharma and Agro chemical products are being packaged and delivered. Arrow has now setup a new Research and Development Centre for new products development on the basis of Arrow's Patent portfolio and for continuous filing of new patents. Our subsidiary companies in UK has hired the services of human assets, in commercializing WSF with this enhanced feature and has hired consultancy firm to find more opportunities in marketing our Health and Hygiene patent portfolio. We are in continuous discussions with Companies on various patent revenue models.

This year arrow focused on two important patents one is Embedded Patent for which Arrow has setup a new Company Avery Pharmaceutical Pvt Limited, that will be producing Pharma products by using patent based technology and on other hand Arrow has been monitoring the possible infringers and fighting the legal suits against them and other Patent is Self adhesive Material for which Arrow is continuously collaborating with world's leading label Stock and PSA manufacturing companies, in the process to start up manufacturing in Europe to meet local demands of the country and also monitoring and going after the infringements.

Company has a clear mandate to focus on two revenue streams—viz, Tangible assets (manufactured goods, with touch and feel and which can make a difference tolives of millions of people) and Intangible assets (Patents which can be out licensed (Arrow owned Patents) or in licensed. Thus by using years of experience Arrow will commercialize these assets, to generate revenues. Intellectual property is one of the most important intangible assets that differentiate the Company from other smaller competition; with protected core technology in the form of patents one has nuggets of wealth at the centre of the business. The patents are value creators for the Companies as they can be licensed, sold, assigned or cross licensed, so having a strong patent portfolio enables a Company to be royalty earner than royalty payer.

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

F. Arrow UK Activities:

Arrow UK operation is a major contributor to our topline and bottomline. Revenue is primarily contributed by royalties from patents. During this year due to certain events like macro environment, global concern on closed economies, slowdown in business of clients, our patent revenue was affected. However we are working on monetization of our few more patents to increase our patent revenue. We are also working on increasing our revenue from manufacturing facility in UK and we are expecting to expand our foot print in European water soluble film market.

G. Water soluble edible film:

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

Taking advantage of the patented technology, we have recently invested into our new Wholly Owned Subsidiary (WOS) Company, Avery Pharmaceuticals Private Ltd. to manufacture, produce or to otherwise deal in pharmaceuticals and other related products..

These are long term revenue generating fields that your Company is targeting using our Patents and knowledge acquired over the years. This venture will mean additional Capital expenditure and your Company has planned ahead of time. Arrow's water soluble edible film foray will be limited to the use of its patented drug (Active) delivery system, using edible Water Soluble Film for many major pharmaceutical and nutraceutical companies.

2. Opportunities:

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

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

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

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

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. Illegal Imports of our patented products like Soap Film, bio compostable film etc., from China and other countries, and the inaction or delayed action by various government, judicial and non-judicial departments in our country, to stop these imports.

4. Internal control system and their adequacy:

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

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

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

The Company 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.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms Regulations 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 ("the Act") and Regulation 17 of the SEBI Listing Regulations which inter-alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on March 31, 2018, the Board comprised six Directors. Of these, two are Executive Directors, including the Chairman & Managing Director who is a Promoter Director. Remaining four are Independent Directors.

The Chairman of the Board of Directors is an Executive Director. The composition of the Board of Directors is in conformity with the Regulation 17 of the SEBI Listing Regulations. Mr. Shilpan Patel, Chairman & 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 Act 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 Act.

(b) Number of Board Meetings

The Board of Directors met five (5) times during the financial 2017-18. The Meetings were held on May 27, 2017, August 03, 2017, September 13, 2017, November 18, 2017 and February 13, 2018. 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, 2018 is tabulated hereunder.

Name	Category	No. of Board Meeting attended / held during 2017-18	Attendance at last AGM held on 13th September, 2017	No. of directorship held in other public companies	Committee Position in other companies	
					Member	Chairman
Mr. Shilpan Patel	Managing Director	5/5	Present	-	-	-
Mr. Haresh Mehta	Independent	4/5	Present	-	-	-
Mr. Harish Mishra	Independent	5/5	Present	-	-	-
Mr. Neil Patel	Jt. Managing Director	2/5	Absent	-	-	-
Ms. Suneeta Thakur (resigned w.e.f. 21st February 2018)	Independent	4/5	Present	-	-	-
Mr. Dinesh Modi	Independent	3/5	Present	3	2	1
Mr. Dinkarray D Trivedi	Independent	4/5	Present	2	-	-

Notes:-

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

(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 to 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 Act.

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 Act. 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, 2018 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	7522	-	7522	32,26,342
Mr. Haresh Mehta	-	220	220	6,815
Ms. Suneeta Thakur (resigned w.e.f. 21st February 2018)	-	140	140	-
Mr. Harish Mishra	-	220	220	-
Mr. Neil Patel	7522	-	7522	4,19,810
Mr. Dinesh Modi	-	120	120	50
Mr. Dinkarray Trivedi	-	130	130	-

(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, 2018. A declaration to this effect signed by Mr. Neil S Patel, Jt. Managing Director is annexed to this Report.

(j) Familiarization Programmes for Board Members

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

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

(k) Performance Evaluation and Independent Directors Meeting

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

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

During the year FY 2017-18, the Independent Directors of the Company also met on February 13, 2018, interalia, to discuss and carry out the evaluation of performance of (i) Non-Independent Directors and the Board of Directors of the Company as a whole, (ii) the evaluation of performance of the Chairman of the Company, and (iii) evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

Criteria for evaluation of independent directors:

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

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

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

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

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

III. BOARD COMMITTEE

Pursuant to SEBI Listing Regulations there were four Committees as on March 31, 2018 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, 2018, the Audit Committee comprises three (3) Independent Directors and one (1) Executive Director. All Members of the Audit Committee possess accounting and financial management knowledge.

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

The Audit Committee met four times during the year, i.e. on May 27, 2017, September 13, 2017, November 18, 2017 and February 13, 2018. 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
Mrs. Suneeta Thakur (Ceased to be member after resigning as Director w. e. f. 21st February 2018)	Independent Director	Member	4	3
Mr. Haresh Mehta	Independent Director	Member	4	3
*Mr. Dinesh Modi (Appointed w. e. f. 13th September 2017)	Independent Director	Member	4	NIL
Mr. Neil Patel	Executive Director	Member	4	2

*The Audit Committee has been re-constituted at the Board meeting held on 13th September 2017, wherein Mr. Dinesh Modi 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 Act. 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 Act.
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment byManagement
  - 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, 2018, this Committee comprised three (3) 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 27, 2017, and February 13, 2018.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	1

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

(a) 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;
(b) Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
(c) Devising a policy on Board diversity.
(d) 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.
(e) 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, 2018, this Committee comprises 4 (four) members of which, 3 (Three) are Non-Executive Directors. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship / Grievance Redressal Committee. The Composition of Stakeholders Relationship / Grievance Redressal Committee as on 31st March, 2018, 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	2
*Mr. Dinkarray D Trivedi (Appointed w. e. f. 13th September 2017)	Member	Independent	4	2
Mr. Neil Patel	Member	Executive	4	2

*The Stakeholders Relationship / Grievance Redressal Committee has been re-constituted at the Board meeting held on 13th September 2017, wherein Mr. Dinkarray D Trivedi was appointed as a 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 Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the company from time to time.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company www.arrowgreentech.com.

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

This Committee met two times during the previous financial year i.e. on May 27, 2017, and February 13, 2018.

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. Neil S Patel, Jt. Managing Director of the Company, in respect of financial year ended March 31, 2018 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 March 31, 2018 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) newspapers.

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

VI. GENERAL BODY MEETINGS:

(i) Location and time of last three (3) Annual General Meetings ('AGM') held:

Financial Year	Date	Time	Venue
2016-2017	13th September, 2017	10.30 a.m.	The Conference Hall, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai 400 093
2015-2016	27th September, 2016	10.30 a.m.	
2014-2015	29th September, 2015	10.30 a.m.	The Classique Club, Behind Infinity Mall, New Link Road, Oshiwara Andheri (West), Mumbai – 400 053

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

Date of A.G.M. / E.O.G.M.	Particulars of Special Resolution
13th September 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.
27th September 2016	Appointment of M/s Haribhakti & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company in place of the retiring Auditors M/s. J.A. Rajani & Co.

(iii) Special Resolutions passed through Postal Ballot

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

V. GENERAL INFORMATION FOR SHAREHOLDERS

a) Annual General Meeting

Time : 10.30 A.M.
Date : 15th September, 2018
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 13, 2018

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, 2018
2nd Quarter Results	:	by November 14, 2018
3rd Quarter Results	:	by February 14, 2019
4th Quarter & Annual Results	:	Before May 30, 2019

d) Date of Book Closure : September 12, 2018 to September 15, 2018(both days inclusive)

e) Dividend Payment Date : within 5 days from the date of AGM

f) Listing on Stock Exchanges:
Presently, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the annual listing fees for the year 2017-18 to BSE and NSE.

g) Stock Code

ISIN for NSDL & CDSL	INE570D01018
BSE	516064
NSE	ARROWGREEN

h) Corporate Identification Number:
Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L21010MH1992PLC069281

i) Share Price Data: High/Low and Volume during each month of 2017-18 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, 2017	467.50	419.00	469.90	415.00	30,184.22	29,241.48	9,367.15	9,075.15
May, 2017	550.00	435.00	544.50	435.10	31,255.28	29,804.12	9,649.60	9,269.90
June, 2017	580.00	454.50	581.15	454.50	31,522.87	30,680.66	9,709.30	9,448.75
July, 2017	584.95	531.95	578.80	532.00	32,672.66	31,017.11	10,114.85	9,543.55
August, 2017	611.45	488.05	611.00	484.95	32,686.48	31,128.02	10,137.85	9,685.55
September, 2017	715.00	590.00	715.00	589.00	32,524.11	31,081.83	10,178.95	9,687.55
October, 2017	620.85	514.05	619.00	511.05	33,340.17	31,440.48	10,384.50	9,831.05
November, 2017	557.75	470.25	559.45	471.10	33,865.95	32,683.59	10,490.45	10,094.00
December, 2017	519.00	451.20	517.40	458.20	34,137.97	32,565.16	10,552.40	10,033.35
January, 2018	568.00	471.70	567.00	471.60	36,443.98	33,703.37	11,171.55	10,404.65
February, 2018	481.65	383.80	483.00	384.05	36,256.83	33,482.81	11,117.35	10,276.30
March, 2018	404.55	250.00	402.50	250.00	34,278.63	32,483.84	10,525.50	9,951.90

* 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.

VI. Shareholding pattern as at March 31, 2018:

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	9,49,181	8.09
3.	Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	8,878	0.08
4.	Venture Capital Funds	-	-
5.	Foreign Portfolio Investors	1,53,107	1.30
6.	Bodies Corporate	229951	1.96
7.	Individuals		
	< ₹ 2 Lac	16,88,170	14.38
	> ₹ 2 Lac	4,65,960	3.97
8.	Clearing Member	1,20,454	1.02
9.	NRI	1,45,415	1.24
10.	Trust	-	-
11.	Overseas Corporate Bodies	1,80,000	1.53
12.	HUF	1,18,847	1.01
	TOTAL	**11739948**	**100.00**

VII. The Distribution of Shareholding as at March 31 2018:

Slab of Shares Holding	Share Holders	%	Amount (₹)	%
1 - 500	8031	90.85	77,86,460	6.63
501 - 1000	414	4.68	33,74,380	2.88
1001 - 2000	186	2.10	28,44,920	2.42
2001 - 3000	50	0.57	12,58,770	1.07
3001 - 4000	27	0.31	9,05,210	0.78
4001 - 5000	26	0.29	11,88,250	1.01
5001 - 10,000	52	0.59	36,66,360	3.12
10,001 - Above	54	0.61	9,63,75,130	82.09
Total	**8840**	**100**	**11,73,99,480**	**100.00**

VIII. Dematerialization of shares and liquidity:

As on March 31, 2018 about 95.91% 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, 2018, is given below:

Category	No. of Shares	%
NSDL	90,57,439	77.15
CDSL	22,02,882	18.76
PHYSICAL	4,79,627	4.09
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.

IX. Registrar and Share Transfer Agents:
Link Intime India Pvt. Ltd,
C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai- 400083
Tel No. : 022 – 49186270
Fax No. : 022 – 49186060
E-mail: rnt.helpdesk@linkintime.co.in

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

XI. Plant location:
Plot No. 5310/5311, GIDC, Ankleshwar – 393 002 (Gujarat)

XII. Address for Investor Correspondence:
For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:
Link Intime India Pvt. Ltd,
Unit : "Arrow Greentech Ltd."
C 101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai- 400083
Tel No. : 022 – 49186270
Fax No. : 022 – 49186060
E-mail: rnt.helpdesk@linkintime.co.in

For General Correspondence:
Ms. Poonam Bansal
Company Secretary & Compliance Officer

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

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

XIV. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

(i) Revalidation of Dividend warrants:
In respect of members who have either not opted for NECS/ECS mandate or do not have such a facility with their banker and who have not encashed earlier dividends paid by the Company, are requested to write to Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of 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, 2018 (₹ 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	422.50
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 02, 2023	458.91
31.03.2017	Final	5.60	Sep 13, 2017	Oct 19, 2024	1344.35

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

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

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

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

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

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

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

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

For and on behalf of the Board of Directors

Neil S Patel
Jt. Managing Director

Place: Mumbai
Date: May 29,2018

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.

Sd/-
Neil S Patel
Jt. Managing Director

Place: Mumbai
Date: May 29,2018

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 September 18, 2017.

2. We have examined the compliance of conditions of Corporate Governance by Arrow Greentech Limited ('the Company'), for the year ended on March 31, 2018, 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, 2018.

9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

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

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

Snehal Shah
Partner
Membership No.048539

Place: Mumbai
Date: August 02, 2018

FINANCIAL STATEMENTS

2017-18

INDEPENDENT AUDITOR'S REPORT

To the Members of Arrow Greentech Limited

Report on the Standalone Ind AS Financial Statements

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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility 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 Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 and ensuring their operating effectiveness and 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, the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

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

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

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

We are also responsible to conclude on the appropriateness of the 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 the auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

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 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 Ind AS, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening Balance Sheet as at April 01, 2016 included in these Standalone Ind AS Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 dated May 14, 2016 expressed an modified opinion on those Standalone Ind AS Financial Statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity 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 written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 35 on Contingent Liabilities to the Standalone Ind AS Financial Statements;
   (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise; and
   (iii) There has been no delay in transferring amounts, 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 29, 2018

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, 2018]

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, fixed assets have been physically verified by the Management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets and as informed, no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company, except for Office Building whose gross block is ₹ 45 ('000) and net block is ₹ 41('000).

(ii) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.

(vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise 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 amounts payable 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, 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
Maharshtra Value Added Tax Act, 2002	VAT	95	2006-2007	March 31, 2007	Unpaid
Maharshtra Value Added Tax Act, 2002	VAT	40	2007-2008	March 31, 2008	Unpaid
Maharshtra 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, service tax, value added tax, goods and service tax, customs duty, excise duty on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ in '000)	Period to which the amount relates	Forum where dispute is pending
Maharshtra 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
Maharshtra Value Added Tax Act, 2002	VAT	3,671	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai

Name of the statute	Nature of dues	Amount (₹ in '000)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	CST	3,521	2004-2005	Asst Commissioner of Sales Tax (Appeal), Mumbai
Maharshtra Value Added Tax Act, 2002	VAT	53,901	2007-2008	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	12,188	2007- 2008	Asst Commissioner of Sales Tax (Appeal), Mumbai
Central Sales Tax Act, 1956	CST	3,933	2008-2009	Asst Commissioner of Sales Tax (Appeal), Mumbai
Income Tax Act, 1961	Income Tax	6,888	2014-2015*	Asst Commissioner of Income Tax
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, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the Management.

(xi) According to the information and explanations given to us, managerial remuneration have been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Snehal Shah
Partner
Membership No. 048539

Place: Mumbai
Date: May 29, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Arrow Greentech Limited on the Standalone Ind AS Financial Statements for the year ended March 31, 2018]

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

We have audited the internal financial controls over financial reporting of Arrow Greentech Limited ("the Company") as of March 31, 2018 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Snehal Shah
Partner
Membership No. 048539

Place: Mumbai
Date: May 29, 2018

BALANCE SHEET AS AT MARCH 31, 2018

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

Particulars	Notes	As at		
		March 31, 2018	March 31, 2017	April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	1,35,665	1,53,706	42,534
Capital work-in-progress	4	-	116	633
Intangible assets	4	18,285	8,735	6,993
Intangible assets under development	4	6,593	11,788	12,611
Investment Property	5	1,494	1,571	1,651
Investment in subsidiaries and associates	6	6,577	3,897	3,897
Financial assets				
(i) Investments	6	2,48,970	1,83,335	1,58,626
(ii) Loans	7	3,234	3,663	1,688
(iii) Other financial asset	8	1,926	3,192	792
Income tax assets (Net)	9	7,239	7,449	4,145
Other non - current assets	10	1,032	1,139	14,096
Total Non- current assets		**4,31,015**	**3,78,591**	**2,47,666**
Current assets				
Inventories	11	44,858	19,313	9,362
Financial assets				
(i) Trade Receivables	12	30,540	17,430	5,744
(ii) Cash and cash equivalents	13	7,400	32,220	53,126
(iii) Bank balances other then (ii) above	14	5,120	7,228	1,255
(iv) Loans	15	109	104	94
(v) Other financial assets	16	747	717	10,507
Other current assets	17	35,657	18,905	8,738
Total current assets		**1,24,431**	**95,917**	**88,825**
TOTAL ASSETS		**5,55,446**	**4,74,508**	**3,36,491**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	18	1,17,399	1,17,399	1,17,399
Other Equity	19	3,83,023	2,97,561	1,80,784
Total Equity		**5,00,422**	**4,14,960**	**2,98,183**
Non-current liabilities				
Provisions	20	800	532	368
Deferred tax liabilities (Net)	33	6,475	9,026	3,242
Total Non current Liabilities		**7,275**	**9,558**	**3,610**
Current liabilities				
Financial liabilities				
(i) Trade payables	21			
- Total outstanding dues to Micro and Small Enterprises		69	-	-
- Total outstanding dues to others		22,726	20,412	11,101
(ii) Other financial liabilities	22	20,050	25,869	21,269
Provisions	23	2,340	229	436
Other current liabilities	24	2,564	3,480	1,892
Total current Liabilities		**47,749**	**49,990**	**34,698**
Total Liabilities		**55,024**	**59,548**	**38,308**
TOTAL EQUITY AND LIABILITIES		**5,55,446**	**4,74,508**	**3,36,491**
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 FRN No. 103523W / W100048

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

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

Particulars	Notes	Year ended	
		March 31, 2018	March 31, 2017
INCOME			
Revenue from operations	25	3,88,827	3,15,983
Other Income	26	1,02,492	21,282
TOTAL INCOME		**4,91,319**	**3,37,265**
EXPENSES			
Cost of raw materials consumed	27	34,575	18,240
Purchase of stock-in-trade		69,740	19,760
Change in inventory of finished goods, work-in-progress and stock in trade	28	(22,287)	(6,705)
Excise duty on sales		1,453	7,177
Employee benefits expense	29	70,661	44,448
Depreciation and amortisation expense	4	40,314	12,542
Other expenses	30	1,15,556	74,356
TOTAL EXPENSES		**3,10,012**	**1,69,818**
Profit before tax		**1,81,307**	**1,67,447**
Income tax expense			
Current Tax	33	32,276	22,134
Adjustment of tax relating to earlier periods (net)	33	-	1,588
Deferred Tax	33	(2,442)	5,773
Total tax expense		**29,834**	**29,495**
Profit after tax		**1,51,473**	**1,37,952**
Other comprehensive income not to be reclassified to profit or loss :			
Re-measurement gains/ (losses) on defined benefit plans		(375)	32
Income tax relating to the above items		109	(11)
Other comprehensive income for the year, net of tax		(266)	21
Total comprehensive income for the year, net of tax		**1,51,207**	**1,37,973**
Earnings per equity share			
Basic and Diluted [Nominal value of the shares ₹. 10 (March 31, 2017 : ₹. 10)]	34	12.90	11.75

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 FRN No. 103523W / W100048

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

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

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2018

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

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
Operating activities			
Profit before tax		1,81,307	1,67,447
Adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation		40,314	12,542
Fair value gain on non-current investments		(953)	(10,845)
Impairment Loss on Investment in subsidiaries and Associates		2,295	-
Provision For Doubtful Debt		1,212	685
Provision For Doubtful Advances		146	1,404
Sundry balance written-off		12	2,279
Unrealised foreign exchange gain		(172)	-
Net gain on sale of Long term investments		(3,283)	(822)
Interest income		(1,275)	(1,583)
Dividend Income		(93,653)	(7,016)
		1,25,950	1,64,091
Working capital adjustments:			
Decrease/ (Increase) in loans and advances		424	(1,985)
Decrease/ (Increase) in non-current assets		110	111
Decrease / (Increase) in trade receivables		(14,078)	(12,371)
Decrease/ (Increase) in current assets		(16,915)	(3,692)
Decrease/ (Increase) in Inventories		(25,545)	(9,951)
Increase/ (Decrease) in provisions		2,004	(10)
Increase/ (Decrease) in trade payables		2,311	9,311
Increase/ (Decrease) in other financial liabilities		(7,138)	3,439
Increase/ (Decrease) in other liabilities		(916)	1,588
		66,206	1,50,530
Income tax paid		(32,065)	(27,026)
Net Cash Flow from operating activities	**(A)**	**34,141**	**1,23,504**
Investing activities			
Purchase of Fixed assets including Capital work in progress and capital Advance		(26,432)	(1,11,189)
Investment in subsidiary companies		(4,975)	-
Purchase of mutual fund investment, net		(58,869)	(43,349)
Proceeds from sale of current investments		-	30,308
Net Investments in/ (Maturity) of Bank deposits		3,358	(8,363)
Dividend Received		91,073	6,575
Interest Received		1,311	1,643
Net cash flows from investing activities	**(B)**	**5,467**	**(1,24,376)**
Financing activities:			
Dividend paid, including dividend tax		(64,427)	(20,034)
Net cash (used in) financing activities	**(C)**	**(64,427)**	**(20,034)**
Net Increase / (Decrease) In Cash And Cash Equivalents	**(A+B+C)**	**(24,820)**	**(20,906)**
Cash and Cash equivalents at the beginning of the year		32,220	53,126
Cash and Cash equivalents at the end of the year (refer note - 13)		**7,400**	**32,220**

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 FRN No. 103523W / W100048

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

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

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

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

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

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	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	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**	**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 April 01, 2016	29,199	8,218	200	1,43,167	1,80,784
Restated balance at the beginning of the reporting period	-	-	-	-	-
Balance at April 01, 2016	**29,199**	**8,218**	**200**	**1,43,167**	**1,80,784**
Profit for the year	-	-	-	1,37,952	1,37,952
Other comprehensive income (net of tax)	-	-	-	21	21
Total comprehensive income for the year	**-**	**-**	**-**	**1,37,973**	**1,37,973**
Transactions with owners of company					
Cash dividends (including dividend tax)	-	-	-	(21,196)	(21,196)
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**

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 FRN No. 103523W / W100048

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

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

Notes to the financial statements for the year ended March 31, 2018

(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, 1956. 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 29, 2018

b) These Financial Statements are the first Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS). For all periods upto and including the year ended March 31, 2017, the Company reported its Financial statements in accordance with the accounting standards notified under the Section 133 of the Act, read together with relevant rules framed there under ("Indian GAAP"). The Financial Statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3

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 thousand, 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 periods 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 9 & 33)
- Useful lives of property, plant, equipment and intangibles (Refer note 4)
- Impairment of financial assets such as trade receivables (Refer note 42)
- Revenue recognition

B Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax.

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

i) **Sale of goods:** Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales contract.

Notes to the financial statements for the year ended March 31, 2018

ii) **Rendering of services :** In contracts involving rendering of services, revenue is recognised in profit or loss in the proportion of the stage of completion of the transaction at the reporting date and are measured net of sales tax, works contract tax, service tax and goods and service tax.

iii) **Dividend income :** Dividends are recognised in Statement of Profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

iv) Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

C Property, Plant and Equipment

i) Recognition and measurement:

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

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

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

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

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

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition (April 01, 2016)

ii) Depreciation

Depreciation on Property, plant and equipment has been provided on written down value basis and manner prescribed in Schedule II to the Act. 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 Software's are amortized over a period of 3 years from the date of acquisition.

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

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition (April 01, 2016)

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.

The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition (April 01, 2016)

Notes to the financial statements for the year ended March 31, 2018

Based on technical evaluation and consequent advice, the management believes a period of 54 years as representating 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 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.

E Research and Development Cost:

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

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

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

F Impairment of Assets:

i) Financial assets

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

ii) Non-financial assets

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

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

G Investment in subsidiaries and associates

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

The Company has elected to continue with the carrying value of all its equity investments in its subsidiaries and associates as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

H Inventories:

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

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

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

Notes to the financial statements for the year ended March 31, 2018

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 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 Company pays provident fund and ESIC contributions to publicly administered provident funds / ESIC 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.

Notes to the financial statements for the year ended March 31, 2018

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 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 period are adjusted for the effects of all dilutive potential equity shares.

Notes to the financial statements for the year ended March 31, 2018

N Provisions

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

O Contingent Liabilities

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

P Cash and cash equivalents

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

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

Cash Flows

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

Q Dividend

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

R Derivatives and hedging activities

The Company holds derivative financial instruments such as forward contracts to mitigate risk of changes in exchange and interest rates. The counter party 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.

Notes to the financial statements for the year ended March 31, 2018

Subsequent measurement

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

Derecognition

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

b. Financial assets

Initial recognition and measurement

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

Classification and subsequent measurement

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

i) Financial assets amortised at cost

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

ii) Financial assets at fair value through other comprehensive income

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

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 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 or 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.

Notes to the financial statements for the year ended March 31, 2018

T Current–Non-current classification

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

Assets

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

a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

b) it is held primarily for the purpose of trade;

c) it is expected to be realised on demand or within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

a) it is expected to be settled in the company's normal operating cycle;

b) it is held primarily for the purpose of trade;

c) it is due to be settled in demand or within 12 months after the reporting date; or

d) there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

U Operating cycle

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

V Recent Accounting Pronouncements

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and the new standard Ind AS 115, 'Revenue from Contract with Customers'. These amendments are applicable to the Company from 1st April, 2018.

Amendment to Ind AS 21:

On 28th March, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing 'Appendix B to Ind AS 21: Foreign currency transactions and advance consideration' which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 1st April, 2018.

Standard issued but not yet effective (Ind AS 115):"

On 28th March, 2018, the MCA notified the Ind AS 115, Revenue from Contracts with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The Company is in process of evaluating the impact due to above changes in accounting principles.

Notes to the financial statements for the year ended March 31, 2018

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

3 First time adoption of Ind AS

Transition to Ind AS reporting

As stated in Note 2 A., the Company's financial statements for year ended financial statements prepared in compliance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards that are effective for the first Ind AS Financial Statements for the year ending March 31, 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as of the Transition Date have been recognized directly in equity at the Transition Date.

On transition the Company did not revise estimates previously made under IGAAP except where required by Ind AS

Reconciliations: The following reconciliations help to understand the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

A Reconciliation of equity

Description		Notes	As at	
			March 31, 2017	March 31, 2016
Total net worth as per Indian GAAP	(A)		4,03,400	2,74,722
Current practices and Ind AS gap differences				
Effects of transition to Ind-AS				
Adjustments pertaining to retained earnings				
Fair valuation of investments in Mutual Fund		1	681	-
Gain (net) on fair valuation of current investments		2	14,916	4,071
Reversal of rent equalisation reserve		3	147	68
ECL on Trade Receivables		9	(539)	-
Impact of discounting of security deposits:				
Prepaid rent amortisation		4	(162)	(52)
Fair valuation of security deposits		4	134	40
Remeasurement of defined benefit plan		5	(32)	-
Right issue expenses written off		6	-	(1,050)
Deferred tax on above adjustments			(3,606)	(811)
Proposed dividends taken as per date of declaration		7	-	21,196
	(B)		11,539	23,461
Adjustments pertaining to other reserves				
Remeasurement of defined benefit plan		5	32	-
Tax on item recognised in Other Comprehensive Income				
Tax on remeasurements of the defined benefit plan			(11)	-
	(C)		21	-
Total net worth as per Ind AS (A + B + C)			**4,14,960**	**2,98,183**

Notes to the financial statements for the year ended March 31, 2018

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

B Reconciliation between Profit as previously reported and total comprehensive income as per Ind AS for the year ended March 31, 2018

Description	Notes	Year Ended March 31, 2017
Profit under previous GAAP		1,28,679
Current practices and Ind AS gap differences		
Diminution in value of investments	1	681
Fair valuation of current investments	2	10,845
Reversal of rent equalisation reserve	3	79
ECL on Trade Receivables	9	(539)
Impact of discounts on security deposit		
Prepaid rent amortisation	4	(110)
Fair valuation of security deposits	4	94
Remeasurement of defined benefit plan	5	(32)
Right issue expenses written off	6	1,050
Deferred Tax on Ind AS Adjustments		(2,795)
Tax on remeasurements of the defined benefit plans		9,273
Changes in other comprehensive income due to Ind AS adjustments		
Remeasurement of Defined benefit Plan	5	32
Tax on item recognised in Other Comprehensive Income		
Tax on remeasurements of the defined benefit plan		(11)
		21
Total comprehensive Income as at reporting date		**1,37,973**

C Reconciliation of changes in cash and cash equivalent as per Ind AS for the year ended March 31, 2018

There were no differences between the Statement of Cash Flows presented under Ind AS and under IGAAP

Description	Notes	Year Ended March 31, 2017
Cash & Cash equivalent as per previous GAAP		32,220
Changes in cash & cash equivalent due to Ind AS adjustments		-
Cash & Cash equivalent as per Ind AS		32,220

Notes to the financial statements for the year ended March 31, 2018

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

Notes to the reconciliation:

1 Diminution in value of investments

Company has provided for diminution in value of investment. However, investment being valued at fair value in accordance under Ind AS, the provision has been written back

2 Fair valuation of Mutual Funds Investments

Under IGAAP, Mutual Funds Investments were carried at cost and only mark to market losses were recognised in Statement of Profit and Loss. Under Ind AS, Mutual Funds Investments are fair valued at the period end and resulting mark to market loss or gain is transferred to Statement of Profit and Loss.

3 Reversal of straight lining of lease rent

Lease rentals straight-lined under IGAAP, to the extent linked to inflation are reversed under Ind AS 17.

4 Fair valuation of non-current security deposits

Under IGAAP, security deposits are carried at their book values. Under Ind AS, non-cancellable deposits are required to be measured at their fair values at inception using an appropriate discounting rate.

5 Actuarial gain/loss on employee benefit plan

As per Ind AS 19, actuarial gains and losses relating to defined employee benefit plans are recognized in other comprehensive income as compared to being recognized in the Statement of profit and loss under IGAAP.

6 Right issue expenses written off

Company had capitalised the right issue expenses in 2015-16 and written off in 2016-17. These expense cannot be capitalised hence the same is expensed off in 2015-16.

7 Proposed dividend

Under IGAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

In the case of the Group, the declaration of dividend has occurred after period end. Therefore, the liability recorded for this dividend and tax thereon, has been derecognised against retained earnings for April 01, 2016 and recognised in the year March 31, 2017.

8 Investment Property

In accordance with Ind AS 40, Property which has been held either to earn rental income or for capital appreciation or for both has been reclassified from property, plant and equipment to investment property

9 Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the Company has estimated life time expected credit losses and recorded the same as at the transition date.

Notes to the financial statements for the year ended March 31, 2018

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

4 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 March 31, 2018	Up to April 01, 2017	Charge for the year	Disposal during the year	Up to March 31, 2018	At March 31, 2017	At March 31, 2018
A Property, plant and equipment										
Leasehold Land	3,117	-	-	3,117	25	36	-	61	3,092	3,056
Building (Refer note 1)	27,864	2,581	-	30,445	401	2,987	-	3,388	27,463	27,057
Plant and Equipment	1,24,700	12,027	-	1,36,727	8,805	32,150	-	40,955	1,15,895	95,772
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	-
Motor Car	3,458	430	-	3,888	1,033	722	-	1,755	2,425	2,133
Office Equipment	930	1,186	-	2,116	303	450	-	753	627	1,363
Computer	1,625	1,603	-	3,228	657	1,093	-	1,750	968	1,478
Office Building	45	-	-	45	2	2	-	4	43	41
Total A	**1,65,173**	**20,576**	**(166)**	**1,85,583**	**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	-	21,066	995	1,786	-	2,781	8,735	18,285
Total C	**9,730**	**11,336**	**-**	**21,066**	**995**	**1,786**	**-**	**2,781**	**8,735**	**18,285**
D Intangible assets under development										
Patent rights	11,449	4,061	(11,336)	4,173	-	-	-	-	11,449	4,173
Product Development	-	1,143	-	1,143	-	-	-	-	-	1,143
Software development	339	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)	**1,86,807**	**38,053**	**(11,618)**	**2,13,242**	**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, 2018

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

4 Tangible and intangible assets

	Gross carrying amount				Accumulated depreciation / amortisation				Net block	
	Deemed cost at April 01, 2016 (Refer Note 2 below)	Additions during the year	Disposal during the year	As at March 31, 2017	Up to April 01, 2016	Charge for the year	Disposal during the year	Up to March 31, 2017	At April 1, 2016	At March 31, 2017
A Property, plant and equipment										
Leasehold Land	2,194	923	-	3,117	-	25	-	25	2,194	3,092
Building (Refer note 1)	3,859	24,005	-	27,864	-	401	-	401	3,859	27,463
Plant and Equipment	30,651	94,049	-	1,24,700	-	8,805	-	8,805	30,651	1,15,895
Furniture and Fixtures	718	240	-	958	-	185	-	185	718	772
Electrical Installation	31	2,264	-	2,295	-	10	-	10	31	2,287
Laboratory Equipment	181	-	-	181	-	46	-	46	181	135
Motor Car	3,458	-	-	3,458	-	1,033	-	1,033	3,458	2,425
Office Equipment	575	355	-	930	-	303	-	303	575	626
Computer	822	803	-	1,625	-	657	-	657	822	968
Office Building	45	-	-	45	-	2	-	2	45	43
Total A	**42,534**	**1,22,639**	**-**	**1,65,173**	**-**	**11,467**	**-**	**11,467**	**42,534**	**1,53,706**
B Capital work-in-progress	633	1,15,242	(1,15,760)	116	-	-	-	-	633	116
Total B	**633**	**1,15,242**	**(1,15,760)**	**116**	**-**	**-**	**-**	**-**	**633**	**116**
C Intangible assets										
Patent rights	6,993	2,737	-	9,730	-	995	-	995	6,993	8,735
Total C	**6,993**	**2,737**	**-**	**9,730**	**-**	**995**	**-**	**995**	**6,993**	**8,735**
D Intangible assets under development										
Patent rights	12,611	1,975	(3,137)	11,449	-	-	-	-	12,611	11,449
Software development	-	339	-	339	-	-	-	-	-	339
Total D	**12,611**	**2,314**	**(3,137)**	**11,788**	**-**	**-**	**-**	**-**	**12,611**	**11,788**
Total (A+B+C+D)	**62,771**	**2,42,932**	**(1,18,897)**	**1,86,807**	**-**	**12,462**	**-**	**12,462**	**62,771**	**1,74,345**

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.

2 The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition (April 01, 2016) as per the following details:

Notes to the financial statements for the year ended March 31, 2018

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

Particulars	Gross Block (at cost)	Accumulated Depreciation (as per Previous GAAP)	Gross Block as per Ind AS
Leasehold Land	2,194	-	2,194
Factory Building	7,066	3,207	3,859
Plant and Equipment	62,458	31,807	30,651
Furniture and Fixtures	4,568	3,850	718
Electrical Installation	1,224	1,193	31
Laboratory Equipment	954	773	181
Motor Car	10,176	6,718	3,458
Office Equipment	7,902	7,327	575
Computer	2,479	1,657	822
Office Building	134	89	45
Tangible Assets	**99,155**	**56,621**	**42,534**
Patent rights	10,303	3,310	6,993
Intangible Assets	**10,303**	**3,310**	**6,993**

Notes to the financial statements for the year ended March 31, 2018

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

5 Investment Property

	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 March 31, 2018	Up to April 01, 2017	Charge for the year	Disposal during the year	Up to March 31, 2018	At April 1, 2017	At March 31, 2018
Guest House	1,651	-	-	1,651	80	77	-	157	1,571	1,494
Total	**1,651**	**-**	**-**	**1,651**	**80**	**77**	**-**	**157**	**1,571**	**1,494**

	Gross carrying amount				Accumulated depreciation / amortisation				Net block	
	Deemed cost at April 01 2016	Additions during the year	Disposal during the year	As at March 31, 2017	Up to April 01, 2016	Charge for the year	Disposal during the year	Up to March 31, 2017	At April 1, 2016	Up to March 31, 2017
Guest House	1,651	-	-	1,651	-	80	-	80	1,651	1,571
Total	**1,651**	**-**	**-**	**1,651**	**-**	**80**	**-**	**80**	**1,651**	**1,571**

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

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Depreciation	77	80	
Profit / (loss) from investment property	**(77)**	**(80)**	**-**
(ii) Fair value			
Investment property #	2,550	1,571	1,651

 # 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 May 21, 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 financial statements for the year ended March 31, 2018

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

6 Non-current Investments

	As at					
	March 31, 2018		March 31, 2017		April 01, 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Investment in Equity instruments of subsidiaries (Unquoted) (Fully paid up) (Trade)						
Investment in Arrow Green Technologies (UK)Limited of face value £1 each (100% holding)	20,099	1,602	20,099	1,602	20,099	1,602
Investment in Arrow Secure Technology Private Limited of face value ₹ 10 each (100% holding)	4,31,175	-	4,31,175	2,200	4,31,175	2,200
Investment in Avery Pharmaceuticals Private Limited of face value ₹ 10 each (99% holding)	2,47,500	2,475	-	-	-	-
Investment in LQ Arrow Security Products (India) Private Limited of face value ₹ 10 each (100% holding)	2,49,999	2,500	-	-	-	-
		6,577		**3,802**		**3,802**
Investment in Equity instruments of Associates (Unquoted) (Fully paid up) (Trade)						
Investment in SP Arrow Bio-Polymer Products Private Limited of face value ₹ 10 each (46% holding)	4,600	-	4,600	46	4,600	46
Investment in Sphere Bio-Polymers Private Limited of face value ₹ 10 each (49% holding)	4,900	-	4,900	49	4,900	49
		-		**95**		**95**
		6,577		**3,897**		**3,897**
Aggregate amount of quoted investments and market value thereof		-		-		-
Aggregate amount of unquoted investments		6,577		3,897		3,897
Aggregate amount of impairment in the value of investments		-		-		-

Notes to the financial statements for the year ended March 31, 2018

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

6B Investments

	As at					
	March 31, 2018		March 31, 2017		April 01, 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
In Equity Instruments (Unquoted), (Fully Paid). Non-Trade, at Fair value through Profit or Loss						
Shamrao Vithal Co-operative Bank		9		9		9
Equity Shares of ₹. 25/- each	300		300		300	
Equity Shares of ₹. 10/- each	100		100		100	
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		2,48,961		1,83,326		1,58,618
		2,48,970		**1,83,335**		**1,58,626**
Aggregate amount of quoted investments and market value thereof		2,48,961		1,83,326		1,58,618
Aggregate amount of unquoted investments		9		9		9
Aggregate amount of impairment in the value of investments		-		-		-

Notes to the financial statements for the year ended March 31, 2018

(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, 2018		March 31, 2017		April 01, 2016	
	Units	Amount	Units	Amount	Units	Amount
Avendus Absolute Return Fund	-	10,494	-	-	-	-
DHFL Pramerica Arbitrage Fund - Quarterly Dividend	-	-	-	-	19,35,696	20,087
DHFL Pramerica Arbitrage Fund - Monthly Dividend	-	-	-	-	9,61,307	10,003
DHFL Pramerica Short Maturity Fund -Growth	-	-	3,21,977	9,593	3,21,977	8,758
Franklin India FLEXI CAP Fund -Dividend	-	-	-	-	4,88,866	8,217
HDFC Corp Debt Opportunities Fund -Regular *	26,87,329	38,727	26,87,329	36,435	26,87,329	32,978
HDFC Short Term Plan - Monthly Dividend	8,27,284	8,598	13,08,359	13,576	13,08,358	13,529
HDFC TOP 200 Fund-Dividend	1,10,166	5,226	1,10,166	5,509	1,10,166	4,633
ICICI Prudential Equity Arbitrage Fund -Regular Plan	-	-	5,44,868	7,488	5,44,868	7,492
ICICI Prudential Short Term Plan - Retail Plan - Dividend	-	-	12,79,252	15,698	12,79,252	15,534
ICICI Prudential Equity Income Fund Regular Plan **	29,18,288	33,123	29,18,288	33,298	29,18,288	29,855
ICICI Prudential Flexi Income - Daily Dividend	8,24,079	87,182	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Dividend	7,27,453	9,922	7,27,453	9,997	-	-
ICICI Prudential Value Discovery Fund - Dividend	3,94,938	11,366	3,45,526	10,732	-	-
IDFC Corporate Bond Fund Regular Plan - Growth	9,52,962	11,329	9,52,962	10,646	-	-
IDFC SSIF - Short Term - Plan A - Monthly Dividend Payout	7,39,331	7,539	7,39,331	7,525	7,39,331	7,532
Reliance Regular Savings Fund -Debt Plan- Growth Plan Growth Option	4,70,568	11,391	4,70,568	10,661	-	-
Motilal Oswal Most Focused Multicap 35 Fund- Regular Dividend Reinvestments	5,81,428	14,064	5,34,397	12,168	-	-
		2,48,961		**1,83,326**		**1,58,618**

* Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2017-18 and FY 2016-17

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

Notes to the financial statements for the year ended March 31, 2018

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
7 Loans			
Unsecured, considered good			
Security deposits	3,234	3,663	1,688
	3,234	**3,663**	**1,688**
8 Other financial assets			
Fixed deposits with Bank (maturity more than 12 months) *	1,926	3,176	787
Accrued interest	-	16	5
	1,926	**3,192**	**792**
*Held as lien by bank against bank guarantee of (Mar 31,2018 ₹. 903, Mar 31,2017 ₹. 2,290, Apr 01, 2016 ₹. 787)			
9 Income tax assets (Net)			
Advance Income Tax (Net of Provision for Taxation of (Mar 31,2018 ₹. 112,626, Mar 31,2017 ₹. 99,222, Apr 01,2016 ₹.75,500)	7,239	7,449	4,145
	7,239	**7,449**	**4,145**
10 Other non-current assets			
Unsecured, considered good			
Capital advances	862	859	13,705
Prepaid expenses	170	281	391
	1,032	**1,139**	**14,096**
11 Inventories			
Raw materials and components:			
Polyvinyl Alcohol	6,805	1,468	1,225
Chemicals	907	2,777	450
Others	560	300	653
Total	**8,272**	**4,545**	**2,328**
Work in progress:			
Water Soluble Films	16,963	2,935	1,191
Finished goods:			
Water Soluble Films	6,825	5,919	1,694
Stock in trade			
Cleaning products	12,239	4,885	4,149
Stores and spares	560	1,028	-
	44,858	**19,313**	**9,362**
12 Trade Receivables			
Unsecured			
Dues from subsidiaries, considered good (Refer note 40)	-	6,925	-
Dues from other trade receivables considered good	30,540	10,506	5,744
Dues from other trade receivables considered doubtful	1,897	685	-
Less: Allowance for doubtful debts	(1,897)	(685)	-
	30,540	**17,430**	**5,744**

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

Notes to the financial statements for the year ended March 31, 2018

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
13 Cash and cash equivalents			
Balance with bank:			
On current accounts	7,221	7,729	9,519
Deposits with original maturity of less than 3 months**	125	24,359	41,560
Cash on hand	54	132	2,047
	7,400	**32,220**	**53,126**
**Held as lien by bank against bank guarantee amounting to Mar 31,2018 Nil, Mar 31,2017 ₹. 500 , Apr 01,2016 Nil			
14 Bank balances other than cash and cash equivalents			
Unclaimed Dividend Account	3,735	2,413	1,255
Deposits with maturity of more than 3 months but less than 12 months ***	1,385	4,815	-
	5,120	**7,228**	**1,255**
***Held as lien by bank against bank guarantee amounting to Mar 31,2018 Nil, Mar 31,2017 ₹. 1,444 , Apr 01,2016 Nil			
15 Loans			
Unsecured, considered good			
Security deposits - Others	109	104	94
	109	**104**	**94**
16 Other financial assets			
Unsecured, considered good			
Dividend receivable	584	534	92
Interest accrued on deposits with bank	163	183	254
Accrued Income	-	-	15
Export benefit receivable	-	-	10,145
	747	**717**	**10,507**
17 Other current assets			
Unsecured, considered good unless stated otherwise			
Advance to suppliers			
Considered Good	431	533	1,450
Considered Doubtful	1,550	1,404	-
Less Provision for Doubtful Advance	(1,550)	(1,404)	-
	431	**533**	**1,450**
Prepaid expenses	4,683	729	877
Advance to employees	2,855	1,270	1,139
Gratuity (Refer Note 39)	-	404	-
Balance with Government authorities	27,688	15,969	5,272
	35,657	**18,905**	**8,738**

Notes to the financial statements for the year ended March 31, 2018

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

18 Equity share capital

a) Equity share capital

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised share capital						
Equity shares of ₹. 10 each	1,50,00,000	1,50,000	1,50,00,000	1,50,000	1,50,00,000	1,50,000
Issued, Subscribed and Paid Up :						
Equity shares of ₹. 10 each fully paid	1,17,39,948	1,17,399	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, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	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	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**	**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, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Pvt Ltd	11,96,014	10%	11,96,014	10%	11,96,014	10%
Jigisha S. Patel	15,18,503	13%	17,18,503	15%	17,18,503	15%
Shilpan P. Patel	32,26,342	27%	33,26,342	28%	34,76,342	30%
Shilpan Patel (HUF)	8,99,316	8%	8,99,316	8%	8,99,316	8%
	68,40,175	**58%**	**71,40,175**	**61%**	**72,90,175**	**62%**

Notes to the financial statements for the year ended March 31, 2018

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

		As at		
		March 31, 2018	**March 31, 2017**	**April 01, 2016**
19 Other Equity				
General Reserve	19 (i)	200	200	200
Capital reserve	19 (ii)	8,218	8,218	8,218
Securities premium reserve	19 (iii)	29,199	29,199	29,199
Retained earnings	19 (iv)	3,45,406	2,59,944	1,43,167
		3,83,023	**2,97,560**	**1,80,784**

		As at	
		March 31, 2018	**March 31, 2017**
Reserves and surplus			
19 (i)	**General reserve**		
	Balance at the beginning of the year	200	200
	Movement during the year	-	-
	Balance at the end of the year	200	200
19 (ii)	**Capital reserve**		
	Balance at the beginning of the year	8,218	8,218
	Movement during the year	-	-
	Balance at the end of the year	8,218	8,218
19 (iii)	**Securities premium reserve**		
	Balance at the beginning of the year	29,199	29,199
	Movement during the year	-	-
	Balance at the end of the year	29,199	29,199
19 (iv)	**Retained earnings**		
	Opening Balance at the beginning of the year	2,59,944	1,43,167
	Add : Profit for the year	1,51,473	1,37,952
	Less : Dividend paid	(65,746)	(17,611)
	Less : Dividend distribution tax on above	-	(3,585)
	Items that will not be reclassified to profit or loss :		
	- Remesurement of defined benefit obligation	(375)	32
	- Income tax relating to above item	109	(11)
	Balance as at the year end	3,45,406	2,59,944
		3,83,023	**2,97,561**
	Proposed dividend on equity shares not recognised		
	Final dividend for the year ended ₹ 2 per share (PY ₹ 5.6 per share)	23,480	65,747
	Dividend distribution tax on proposed dividend	4,780	-
		28,260	**65,747**

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, 2018

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
20 Provisions			
Provision for employee benefits (Refer note 39)			
Leave encashment (un funded)	800	532	368
	800	**532**	**368**
21 Trade Payables			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	69	-	-
Total outstanding dues to others	22,726	20,412	11,101
	22,795	**20,412**	**11,101**
22 Other financial liabilities			
Unclaimed Dividend ^	3,732	2,413	1,252
Employee Benefits Payable	2,857	3,267	3,643
Outstanding liability for expenses	1,507	1,973	792
Trade payable for capital goods (other than small and medium enterprises)	11,954	18,216	15,582
	20,050	**25,869**	**21,269**
^ 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)	2,072	-	279
- Leave encashment (un funded)	268	229	157
	2,340	**229**	**436**
24 Other current liabilities			
Statutory Dues Payable	1,923	3,117	1,583
Advances from customer	641	360	309
	2,564	**3,478**	**1,892**

Notes to the financial statements for the year ended March 31, 2018

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

	Year ended	
	March 31, 2018	**March 31, 2017**
25 Revenue from operations		
Sale of products (including excise duty net of sales return)		
Finished goods	67,263	62,412
Traded goods	76,253	24,812
Services rendered		
Royalty Income - Patent	2,39,140	2,28,610
Consulting Income	6,000	-
Other Operating Revenue		
Sale of scrap	172	149
Revenue from Operations	**3,88,827**	**3,15,983**
Detail of Sale of Products / Services		
Finished goods sold		
Water Soluble Films	67,263	62,412
	67,263	**62,412**
Traded goods sold		
Cleaning Products	10,335	7,544
Other Business	65,918	17,268
	76,253	**24,812**
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, 2018 are not comparable with those of the previous year.		
26 Other Income		
Dividend Income		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	8,377	7,016
From Non-current Equity instruments in Subsidiaries measured at cost	85,276	-
Interest Income received on Financial Assets - Carried at amortised cost		
On Fixed Deposit with Bank	1,040	1,475
On Loans and Deposits	235	108
Foreign Exchange Gain (net)	1,741	-
Net Gain on Sale of non-current Investments in Mutual Fund	3,283	822
Miscellaneous Income	1,587	1,016
Net Gain on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through profit or loss	953	10,845
	1,02,492	**21,282**
27 Cost of raw materials consumed		
Inventory at the beginning of the year	4,545	2,328
Add: Purchases	38,302	20,457
Less: Inventory at the end of the year	8,272	4,545
	34,575	**18,240**

Notes to the financial statements for the year ended March 31, 2018

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

	Year ended	
	March 31, 2018	**March 31, 2017**
28 Change in inventory of finished goods, work-in-progress and stock in trade		
Inventories at the end of the year		
Stock In Trade	12,239	4,885
Work-in-progress	16,963	2,935
Finished goods	6,825	5,919
Inventories at the beginning of the year		
Stock In Trade	4,885	4,149
Work-in-progress	2,935	1,191
Finished goods	5,919	1,694
	(22,287)	**(6,705)**
29 Employee benefits expense		
Salary, Wages and Bonus	62,734	40,106
Contribution to Provident and other funds (Refer note - 39)	2,106	1,472
Gratuity and Leave Encashment (Refer note - 39)	3,646	1,841
Staff welfare expenses	2,175	1,029
	70,661	**44,448**
30 Other expenses		
Consumption of stores and spares	3,072	840
Repair and Maintenance - Building	851	396
Repair and Maintenance - Machinery	1,012	710
Repair and Maintenance - Other	2,165	2,032
Rent (Refer note 36)	5,044	4,621
Insurance	413	240
Power and Fuel	22,940	10,525
Labour Charges	5,910	3,559
Factory Expenses	1,742	2,104
Selling and Promotion Expenses	4,741	2,439
Freight and Forwarding	4,963	1,626
Lease Rent and Hire Charges (Refer note 36)	10,699	-
Postage and Telephone Expenses	2,335	1,799
Printing and Stationery	1,099	771
Travelling and Conveyance	17,585	12,118
Legal and Professional Charges	12,424	9,403
Impairment Loss on Investment in subsidiaries and Associates	2,295	-
Patent Charges	2,293	2,276
Donations	4,500	1,351
Provision For Doubtful Advance	146	1,404
Provision For Doubtful debts	1,212	685
Payment to Auditors (exclusive of service tax & GST) (refer note no. 31)	1,408	1,253
Corporate Social Responsibility Expense (refer note no. 32)	2,461	1,755
Bank Charges	624	430
Foreign Exchange Loss / Gain (Net)	-	1,236
Sundry Balances written off	12	2,279
Miscellaneous Expenses	3,610	8,504
	1,15,556	**74,356**

Notes to the financial statements for the year ended March 31, 2018

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

	Year ended	
	March 31, 2018	**March 31, 2017**
31 Payment to Auditors (exclusive of service tax & GST)		
As auditor		
Auditors Remuneration	800	800
Tax audit fees	200	200
Limited review fees	300	200
Other Capacity		
Other services (Certification fees)	95	50
Reimbursement of expenses	13	3
	1,408	**1,253**
32 Corporate Social Responsibility Expense		
Gross amount required to be spent by the group during the year		
Corporate Social Responsibility Expense	2,505	1,894
Amount spent during the year (paid in cash)		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	2,461	1,755
Amount spent during the year (yet to paid in cash)		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
	2,461	**1,755**
33 Income taxes		
a. Income tax expense is as follows:		
Statement of Profit and Loss		
Current tax:		
Tax for the year	32,276	22,134
Adjustments for current tax of prior periods	-	1,588
Total current tax expense	**32,276**	**23,722**
Deferred tax:		
Deferred tax expenses	(2,442)	5,773
Total deferred tax expense	**(2,442)**	**5,773**
Income tax expense	**29,834**	**29,495**
Other comprehensive income		
Deferred tax related to OCI items:		
Net loss / (gain) on remeasurements of defined benefit plans	109	(11)
	109	**(11)**

Notes to the financial statements for the year ended March 31, 2018

(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, 2018		March 31, 2017	
Profit before tax		1,81,307		1,67,447
Tax at the Indian tax rate	28.84%	52,289	34.61%	57,950
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	9.35%	16,957	8.69%	14,550
Differences in tax rates in respect of dividend from foreign subsidiary & Short term capital gain	8.45%	15,321	0.08%	142
Non-deductible expenses	0.33%	607	5.01%	8,396
Exempt income	-1.33%	(2,416)	-1.45%	(2,428)
Others	-0.35%	(634)	5.28%	8,835
	16.46%	**29,834**	**17.61%**	**29,495**

c. Deferred Tax Liabilities (net)

(i) 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**

(ii) Movement in deferred tax liabilities for the year ended March 31, 2017

	Net balance March 31, 2016	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2017
Property, plant and equipment	2,431	4,299	-	6,730
Fair valuation of investments in mutual fund	814	2,627	-	3,441
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	-	(1,332)	11	(1,321)
Others	(3)	179	-	176
	3,242	**5,773**	**11**	**9,026**

Notes to the financial statements for the year ended March 31, 2018

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

	Year ended	
	March 31, 2018	**March 31, 2017**
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	1,51,473	1,37,952
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	12.90	11.75
- Diluted	12.90	11.75

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
35 Contingent liabilities and Commitments			
Contingent Liabilities			
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 349 (March 31, 2017: ₹ 349, April 01, 2016 ₹ 349)	81,063	81,063	14,982
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 1,304 (March 31, 2017: ₹ 1,304, April 01, 2016 Nil)	10,537	8,192	-
(c) Bank Guarantees given	6,340	4,235	701
	97,940	**93,490**	**15,683**
36 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 : a. No transfer of ownership on termination of lease b. 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:			
Lease rent expenses for the year *	15,743	4,621	3,007
Minimum lease payments			
(a) Due within one year	8,548	4,799	3,545
(b) Due later than one year and not later than five years	6,791	12,214	11,526
(c) Due later than five years	-	-	-
*Lease Rent Expenses for March 31, 2018 include Rent on Machinery and Amortization of expenses of ₹ 10,699 (PY Nil)			

37 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, 2018

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
38 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			
Principal amount remaining unpaid at the end of the year	69	-	-
Interest due thereon	-	-	-
Interest remaining accrued and unpaid at the end of the year	-	-	-
Total Interest accrued and remained unpaid at year end	-	-	-

39 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, 2018	**March 31, 2017**
Employer's Contribution to Provident Fund	1,728	1,231
Employer's Contribution to Employees State Insurance Corporation	378	241

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, 2018	**March 31, 2017**
Opening defined benefit obligation	1,743	1,096
Benefits paid	-	(1,111)
Current service cost	349	1,743
Interest cost	129	-
Past service cost	2,809	-
Actuarial losses / (gain) recognized in other comprehensive income		
changes in financial assumptions	(127)	-
experience adjustments	477	15
Liabilities assumed / (settled)	-	-
Closing defined benefit obligation	**5,380**	**1,743**

Notes to the financial statements for the year ended March 31, 2018

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

Reconciliation of the fair value of plan assets:

	Year ended	
	March 31, 2018	**March 31, 2017**
Opening fair value of plan assets	2,147	817
Interest Income	159	-
Employer contributions	1,027	1,299
Benefits paid	-	(16)
Actuarial gains on Plan Assets	(25)	47
Closing fair value of plan assets	**3,307**	**2,147**

Balance sheet reconciliation

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Opening defined benefit obligation	1,743	1,096	894
Opening fair value of plan assets	(2,147)	(817)	(817)
Expenses recognised in profit and loss	3,128	1,743	202
Expenses recognised in Other Comprehensive Income	375	(32)	-
Employer contributions	(1,027)	(1,299)	-
Benefits paid	-	(1,095)	-
Net (Asset) / Liability recognised in the Balance sheet	**2,072**	**(404)**	**279**

Expenses recognised in Statement of Profit and Loss:

	Year ended	
	March 31, 2018	**March 31, 2017**
Current service cost	349	1,743
Interest cost	(30)	-
Past Service Cost	2,809	-
	3,128	**1,743**

Remeasurements recognised in other comprehensive income

	Year ended	
	March 31, 2018	**March 31, 2017**
Actuarial (gain) loss on defined benefit obligation	350	15
Return on plan assets excluding interest income	25	(47)
	375	**(32)**

Analysis of plan assets

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Insurer managed funds (%)	100%	100%	0%
Others (%)	0%	0%	100%
	100%	**100%**	**100%**

Notes to the financial statements for the year ended March 31, 2018

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

Maturity profile of defined benefit obligation

	As at	
	March 31, 2018	**March 31, 2017**
1 Year	2,280	161
2 to 5 years	665	273
6 to 10 years	1,411	663
More than 10 years	6,283	3,096

Actuarial assumption

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

	As at	
	March 31, 2018	**March 31, 2017**
Discount Rate (p.a.)	7.78%	7.39%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected rate of return on assets	7.78%	7.39%
Attrition rate	Service < 5-10% Service >=5-3%	Service < 5-10% Service >=5-3%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA

Notes :

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, 2018	**March 31, 2017**
Projected Benefit Obligation on Current Assumptions	5,380	1,743
Discount Rate: 1% increase	(293)	(154)
Discount Rate: 1% decrease	342	179
Future salary growth: 1% increase	257	181
Future salary growth: 1% decrease	(239)	(158)
Change in Rate of Employee Turnover : 1% Increase	139	23
Change in Rate of Employee Turnover : 1% Decrease	(160)	(28)

Notes to the financial statements for the year ended March 31, 2018

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

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, 2018	**March 31, 2017**	**April 01, 2016**
Compensated absences liability	1,068	762	525
Actuarial assumption			
Discount rate	7.78%	7.39%	7.14%
Long–term rate of compensation increase	5.00%	5.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 518 (PY ₹ 98)

40 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* Mr. Narayan Navin Jha - Chief Financial Officer* Mrs. Poonam Bansal - Company Secretary	Key Management Personnel (KMP)
Mrs. Jigisha S Patel	Relative of key management personnel
Grace Paper Industries Private Limited Arrow Convertors Private Limited Avery Bio –Degradable Products Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence

Notes to the financial statements for the year ended March 31, 2018

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

b) Transaction with Related Parties & Outstanding Balance as on April 1, 2016, March 31, 2017 and March 31, 2018 :

	Transactions for the year ended		Balances receivable/(payable) as of		
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	April 01, 2016
Arrow Green Technologies (UK) Limited					
Sale of services	1,63,020	1,84,490	-	6,925	-
Sale of Finished Goods	1,925	-	-	-	-
Advance IP Technologies Limited					
Sale of services	76,121	44,120	-	-	-
Avery Pharmaceuticals Private Limited					
Reimbursement of Expenses	94	-	-	-	-
Mr. Shilpan P. Patel					
Rent Expenses	960	840	(311)	-	(27)
Arrow Convertors Private Limited					
Rent Expenses	540	405	-	-	-
Grace Paper Industries Private Limited					
Purchase of Stores and Spares	-	146	-	-	-
Avery Bio Degradable Products Private Limited					
Purchase of Capital Assets	-	15,750	-	-	(4,275)
Investment in subsidiaries					
Arrow Green Technologies (UK) Limited	-	-	1,602	1,602	1,602
Avery Pharmaceuticals Private Limited	2,475	-	2,475	-	-
LQ Arrow Security Products (India) Private Limited	2,500	-	2,500	-	-
Impairment Loss on Investment in subsidiary					
Arrow Secure Technology Private Limited	2,200	-	-	2,200	2,200
Impairment Loss on Investment in Associates					
SP Arrow Bio Polymer Products Private Limited	46	-	-	46	46
Sphere Bio Polymer Private Limited	49	-	-	49	49
Remuneration to Key Managerial Personnel & Relatives					
Mr. Shilpan P. Patel - Managing Director	7,500	7,500	-	-	-
Mr. Neil Patel - Joint Managing Director	7,500	4,200	-	-	-
Mr. Hitesh Punglia - Chief Financial Officer*	4,121	2,703	-	-	-
Mr. Narayan Navin Jha - Chief Financial Officer*	-	62	-	-	-
Mrs. Poonam Bansal - Company Secretary	845	806	-	-	-
Mrs. Jigisha S Patel	681	450	-	-	-

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

Notes to the financial statements for the year ended March 31, 2018

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

41 Financial Instruments - Accounting Classifications and Fair Value Measurements

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

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

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

The 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 April 01, 2016	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Investments	-	1,58,626	-	1,58,626	1,58,626	-	-
Loans	1,688	-	-	1,688	-	-	-
Other financial asset	792	-	-	792	-	-	-
	2,480	1,58,626	-	1,61,106	1,58,626	-	-
Current Financial assets							
Trade Receivables	5,744	-	-	5,744	-	-	-
Cash and cash equivalents	53,126	-	-	53,126	-	-	-
Bank balances other than Cash and cash equivalents	1,255	-	-	1,255	-	-	-
Loans	94	-	-	94	-	-	-
Other financial assets	10,507	-	-	10,507	-	-	-
	70,726	-	-	70,726	-	-	-
Total	**73,206**	**1,58,626**	**-**	**2,31,832**	**1,58,626**	**-**	**-**
Financial liabilities:							
Trade payables	11,101	-	-	11,101	-	-	-
Other financial liabilities	21,269	-	-	21,269	-	-	-
Total	**32,370**	**-**	**-**	**32,370**	**-**	**-**	**-**

Notes to the financial statements for the year ended March 31, 2018

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

B As at March 31, 2017	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Investments	-	1,83,335	-	1,83,335	1,83,335	-	-
Loans	3,663	-	-	3,663	-	-	-
Other financial asset	3,192	-	-	3,192	-	-	-
	6,855	1,83,335	-	1,90,190	1,83,335	-	-
Current Financial assets							
Trade Receivables	17,430	-	-	17,430	-	-	-
Cash and cash equivalents	32,220	-	-	32,220	-	-	-
Bank balances other than Cash and cash equivalents	7,228	-	-	7,228	-	-	-
Loans	104	-	-	104	-	-	-
Other financial assets	717	-	-	717	-	-	-
	57,699	-	-	57,699	-	-	-
Total	**64,554**	**1,83,335**	**-**	**2,47,889**	**1,83,335**	**-**	**-**
Financial liabilities:							
Trade payables	20,412	-	-	20,412	-	-	-
Other financial liabilities	25,869	-	-	25,869	-	-	-
Total	**46,281**	**-**	**-**	**46,281**	**-**	**-**	**-**

C As at March 31, 2018	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Investments	-	2,48,970	-	2,48,970	2,48,970	-	-
Loans	3,234	-	-	3,234	-	-	-
Other financial asset	1,926	-	-	1,926	-	-	-
	5,160	2,48,970	-	2,54,130	2,48,970	-	-
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	109	-	-	109	-	-	-
Other financial assets	747	-	-	747	-	-	-
	43,916	-	-	43,916	-	-	-
Total	**49,076**	**2,48,970**	**-**	**2,98,046**	**2,48,970**	**-**	**-**
Financial liabilities:							
Trade payables	22,795	-	-	22,795	-	-	-
Other financial liabilities	20,050	-	-	20,050	-	-	-
Total	**42,845**	**-**	**-**	**42,845**	**-**	**-**	**-**

During the reporting period ending March 31, 2018 and March 31, 2017, there was no transfer between level 2 and level 3 fair value measurements.

Notes to the financial statements for the year ended March 31, 2018

(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 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.

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

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increases in credit risk on other financial instruments of the same counterparty,

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

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

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Less than 180 days	29,534	17,408	5,524
From 181 - 365 days	1,651	427	168
More than 365 days	1,252	280	52
Total	**32,437**	**18,115**	**5,744**
Less : Provision for Doubtful Debts	1,897	685	-
Total	**30,540**	**17,430**	**5,744**

Notes to the financial statements for the year ended March 31, 2018

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

Expected credit loss assessment for customers as at April 1, 2016, March 31, 2017 and March 31, 2018

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

	Amount
Balance as at April 01, 2016	-
Impairment loss recognised	685
Amounts written off / written back	-
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**

Cash and bank balance

The Company held cash and bank balance with credit worthy banks and financial institutions of ₹ 12,520, ₹ 39,448 and ₹ 54,381 as at March 31, 2018, March 31, 2017 and April 1, 2016, respectively.The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be good.

ii) Liquidity risk

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

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

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Less than 1 year	1 to 3 years	Less than 1 year	1 to 3 years	Less than 1 year	1 to 3 years
Non derivative						
Trade payables	22,795	-	20,412	-	11,101	-
Other financial liabilities	20,050	-	25,869	-	21,269	-
Bank Guarantee given	2,393	3,947	1,944	2,291	-	701

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, 2018

(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	JPY	Total
March 31, 2016					
Financial assets					
Trade receivables	-	37	2	1,256	1,295
Cash and cash equivalents	-	-	-	-	-
Net exposure to foreign currency risk (assets)	**-**	**37**	**2**	**1,256**	**1,295**
Financial Liabilities					
Trade payables	181	-	10,089	-	10,271
Other financial liabilities					-
Net exposure to foreign currency risk (liabilities)	**181**	**-**	**10,089**	**-**	**10,271**
Rupee Conversion Rate	65.97	75.49	94.97	0.59	-
March 31, 2017					
Financial assets					
Trade receivables	64	6,959	2	-	7,024
Cash and cash equivalents					-
Net exposure to foreign currency risk (assets)	**64**	**6,959**	**2**	**-**	**7,024**
Financial Liabilities					
Trade payables	178	-	-	-	178
Other financial liabilities	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**178**	**-**	**-**	**-**	**178**
Rupee Conversion Rate	64.71	69.25	86.50	-	**-**
March 31, 2018					
Financial assets					
Trade receivables	1,725	1,744	2	-	3,471
Cash and cash equivalents	-	-	-	-	-
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, 2018		March 31, 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US$	(11.68)	11.68	(0.81)	0.81
EUR	5.48	(5.48)	49.32	(49.32)
GBP	(7.26)	7.26	0.01	(0.01)
Increase / (decrease) in profit and loss	**(13.46)**	**13.46**	**48.53**	**(48.53)**

Notes to the financial statements for the year ended March 31, 2018

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

43 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.

44 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-18	31-Mar-17	01-Apr-16
Arrow Green Technologies (UK) Limited	United Kingdom	100	100	100
Advance IP Technologies Limited	United Kingdom	95	95	95
Arrow Secure Technology Private Limited	India	100	100	100
Avery Pharmaceuticals Private Limited	India	99	-	-
LQ Arrow Security Products (India) Private Limited	India	100	-	-
Arrow Realty Limited*	United Kingdom	-	-	100

Associates	Principal place of business/country of incorporation	Percentage of ownership		
		Interest as on		
		31-Mar-18	31-Mar-17	01-Apr-16
SP Arrow Bio Polymer Products Private Limited	India	46	46	46
Sphere Bio Polymer Private Limited	India	49	49	49

*From January 04, 2017 Arrow Realty Limited has been merged with Arrow Green Technologies (UK) Limited

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Arrow Greentech Limited

Report on the Consolidated Ind AS Financial Statements

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, 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance 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 the Indian Accounting Standards 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 its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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 the Management either intends to liquidate the Group and its associates or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

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

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

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

We are also responsible to conclude on the appropriateness of the 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 of its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Ind AS Financial Statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries and associates, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2018, their consolidated profit, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the Ind AS financial statements of five subsidiaries (including one step down subsidiary) included in the Statement, whose Ind AS financial statements reflects total assets of ₹ 511,068 thousand, net assets of ₹ 4,97,472 thousand, total revenues of ₹ 199,511 thousand and net cash outflows amounting ₹1,67,803 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 (including other comprehensive income) of ₹ Nil for the year ended March 31, 2018, 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 sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements/financial information 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.

(b) The comparative financial information of the Group and its Associates for the year ended March 31, 2016 and the transition date opening Balance Sheet as at April 01, 2016 included in these Consolidated Ind AS Financial Statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 dated May 14, 2016 expressed an modified opinion on those Consolidated Ind AS Financial Statements, as adjusted for the differences in the accounting principles adopted by the Holding Company on transition to the Ind AS, which have been 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 by the Company so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated 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 written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associates company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and its associates 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 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 37 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 43 and Note 48 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 profit in respect of its associates; and

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.

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

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

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, 2018] Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of the Group and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, the Group and its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 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 29, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

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

Particulars	Notes	Year Ended		
		March 31, 2018	March 31, 2017	April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4	2,41,412	2,48,502	1,47,783
Capital work-in-progress	4	-	116	633
Goodwill on consolidation		-	2,701	2,702
Other Intangible assets	4	18,469	8,978	7,283
Intagible assets under development	4	6,593	11,788	12,611
Investment Property	5	1,494	1,571	1,651
Equity accounted investees		-	(2,106)	(2,106)
Financial assets				
(i) Investments	6	2,94,634	1,83,335	1,58,626
(ii) Loans	7	3,234	3,663	1,689
(iii) Other financial asset	8	3,988	3,192	815
Income tax assets (Net)	9	7,173	4,294	-
Other non-current assets	10	18,984	18,880	22,895
Total Non- current assets		5,95,981	4,84,914	3,54,582
Current assets				
Inventories	11	46,109	19,746	9,936
Financial assets				
(i) Trade Receivables	12	79,932	95,456	55,878
(ii) Cash and cash equivalents	13	2,90,524	4,27,438	4,05,068
(iii) Bank balances other than (ii) above	14	5,120	7,228	1,255
(iv) Loans	15	109	104	94
(v) Other financial assets	16	2,955	717	10,506
Other current assets	17	36,279	19,611	22,193
Total current assets		4,61,028	5,70,300	5,04,930
TOTAL ASSETS		**10,57,009**	**10,55,214**	**8,59,512**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	18	1,17,399	1,17,399	1,17,399
Other Equity	19	8,59,140	8,56,005	5,99,884
Equity attributable to owners		**9,76,539**	**9,73,404**	**7,17,283**
Non controlling interest		19,707	17,945	12,601
Total Equity		**9,96,246**	**9,91,349**	**7,29,884**
Non-current liabilities				
Provisions	20	800	532	647
Deferred tax liabilities (Net)	35	7,636	10,044	3,242
Total Non current Liabilities		8,436	10,576	3,889
Current liabilities				
Financial liabilities				
(i) Borrowings	21	507	444	522
(ii) Trade payables	22			
- Total outstanding dues to Micro and Small Enterprises		69	-	-
- Total outstanding dues to others		25,011	22,937	22,774
(iii) Other financial liabilities	23	21,832	26,192	21,269
Provisions	25	2,340	229	157
Income tax liabilities (Net)	24	-	-	72,137
Other current liabilities	26	2,568	3,486	8,880
Total current Liabilities		52,327	53,288	1,25,739
Total Liabilties		60,763	63,865	1,29,628
TOTAL EQUITY AND LIABILITIES		**10,57,009**	**10,55,214**	**8,59,512**
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 FRN No. 103523W / W100048

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

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

Particulars	Notes	Year ended	
		March 31, 2018	March 31, 2017
INCOME			
Revenue from operations	27	3,47,274	5,33,222
Other Income	28	22,687	47,571
TOTAL INCOME		**3,69,961**	**5,80,793**
Expenses			
Cost of raw materials consumed	29	34,575	18,240
Purchase of stock-in-trade		70,906	19,760
Change in inventory of finished goods, work-in-progress and stock in trade	30	(23,105)	(6,607)
Excise Duty on sales		1,453	7,177
Employee benefits expense	31	71,886	45,355
Depreciation and amortisation expense	4	43,802	16,130
Other expenses	32	1,38,071	86,834
TOTAL EXPENSES		**3,37,588**	**1,86,889**
Profit before tax		**32,373**	**3,93,904**
Income tax expense	**35**		
Current Tax		32,276	54,819
Adjustment of tax relating to earlier periods (net)		824	(14,105)
Deferred Tax		(2,442)	6,791
Total tax expense		**30,658**	**47,505**
Profit after tax		**1,715**	**3,46,399**
Other comprehensive income :			
(i) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		66,400	(63,761)
(i) Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit obligations gains / (loss)		(375)	32
- Income tax relating to the above items		109	(11)
		(265)	21
Other comprehensive income for the year, net of tax		66,135	(63,740)
Total comprehensive income for the year		**67,850**	**2,82,659**
Profit attributable to:			
Owners of equity		2,747	3,41,056
Non-controlling interest		(1,032)	5,343
		1,715	**3,46,399**
Total comprehensive income attributable to:			
Owners of equity		68,882	2,77,316
Non-controlling interest		(1,032)	5,343
		67,850	**2,82,659**
Earnings per equity share			
Basic and Diluted [Nominal value of the shares ₹. 10 (March 31, 2017 : ₹. 10)]	36	0.23	29.05

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 FRN No. 103523W / W100048

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

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

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
Operating activities			
Profit before tax		32,373	3,93,904
Adjustment to reconcile profit before tax to net cash flows			
Depreciation of property, plant and equipment		43,802	16,130
Fair value gain on non-current investments		(1,175)	(10,845)
Exchange differences on translation of assets & liabilities		54,077	(52,635)
Provision For Doubtful Debt		1,212	684
Provision For Doubtful Advances		146	1,404
Sundry balance written off		295	2,280
Investment in Associate written-off		2,106	-
Net gain on sale of Long term Investments		(3,283)	(822)
Interest Income		(1,662)	(1,785)
Dividend Income		(8,431)	(19,857)
		1,19,460	3,28,458
Working capital adjustments:			
Decrease/ (Increase) in Loans and Advances		424	(1,984)
Decrease/ (Increase) in non-current assets		111	110
Decrease / (Increase) in trade receivables		14,312	(40,262)
Decrease/ (Increase) in current assets		(17,109)	(1,102)
Decrease/ (Increase) in Inventories		(26,363)	(9,810)
Increase/ (Decrease) in provisions		2,004	(11)
Increase/ (Decrease) in trade payables		2,143	163
Increase/ (Decrease) in other financial Liabilities		(5,680)	3,762
Increase/ (Decrease) in other Liabilities		(918)	(5,394)
Increase/ (Decrease) in other financial assets		(2,208)	10,160
		86,177	2,84,091
Income tax paid		**(35,979)**	**(1,17,145)**
Net Cash Flow from operating activities	**(A)**	**50,198**	**1,66,946**
Investing activities			
Purchase of Fixed assets including CWIP		(27,907)	(1,24,422)
Purchase of mutual fund investment, net		(1,06,418)	(43,349)
Proceeds from sale of current investments		-	30,308
Investments in Bank deposits		1,296	(8,362)
Dividend Received		5,852	19,415
Interest Received		1,698	1,867
Net cash flows from investing activities	**(B)**	**(1,25,479)**	**(1,24,543)**
Financing activities:			
Dividend paid, including dividend tax		(61,634)	(20,033)
Net cash (used in) financing activities	**(C)**	**(61,634)**	**(20,033)**
Net Increase / (Decrease) In Cash And Cash Equivalents (A+B+C)		**(1,36,914)**	**22,370**
Cash and Cash equivalents at the beginning of the year		4,27,438	4,05,068
Cash and Cash equivalents at the end of the year (refer note - 13)		**2,90,524**	**4,27,438**

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 FRN No. 103523W / W100048

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

For and on behalf of the Board of Directors
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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

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

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

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	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	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**	**1,17,39,948**	**1,17,399**

b. Other Equity

	Attributable to owners								
	Reserves and Surplus					Other Reserves			
	Securities Premium Reserve	Capital Redemption Reserve	Capital Reserve	General Reserve	Retained Earnings	Currency Translation Reserve	Total other equity	Non Controlling interest	Total
Balance at April 01, 2016	29,199	-	8,218	200	5,62,267	-	5,99,884	12,601	6,12,485
Restated balance at the beginning of the reporting period	-		-	-	-	-	-	-	-
Balance at April 01, 2016	**29,199**	**-**	**8,218**	**200**	**5,62,267**	**-**	**5,99,884**	**12,601**	**6,12,485**
Profit for the year	-		-	-	3,41,056	-	3,41,056	5,343	3,46,399
Other comprehensive income (net of tax)	-		-	-	21	(63,761)	(63,740)	-	(63,740)
Dividend	-		-	-	(17,610)	-	(17,610)	-	(17,610)
Dividend distribution tax	-		-	-	(3,584)	-	(3,584)		(3,584)
Balance at March 31, 2017	**29,199**	**-**	**8,218**	**200**	**8,82,149**	**(63,761)**	**8,56,005**	**17,945**	**5,91,292**
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
Dividends	-		-	-	(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**	**5,96,189**

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 FRN No. 103523W / W100048

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 29, 2018

For and on behalf of the Board of Directors
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

Notes to the Consolidated financial statements for the year ended March 31, 2018

(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 Consolidated Financial Statements:

Compliance with Indian Accounting Standards (Ind AS):

a) 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 29, 2018

b) These Consolidated Financial Statements are the first Consolidated Financial Statements prepared in accordance with Indian Accounting Standards (Ind AS). For all periods upto and including the year ended March 31, 2017, the Group reported its Consolidated Financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with relevant rules framed there under ("Indian GAAP"). The Consolidated Financial Statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 1, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from IGAAP to Ind AS on the Group's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 3

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 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 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 periods in which the results are known/ materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

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

The areas involving critical estimates or judgments are:

- Measurement of defined benefit obligations (Refer note 41)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 37)
- Estimation of tax expenses and liability (Refer note 9 & 35)
- Useful lives of property, plant, equipment and intangibles (Refer note 4)
- Impairment of financial assets such as trade receivables (Refer note 44)
- Revenue recognition"

B Basis 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 form 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.

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

ii) Non-controlling interests (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 consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When a Group loses control over a subsidiary, it derecognises the assets and the liabilities of the subsidiaries, and any NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date that control is lost. Any resulting gain or loss is recognised in statement of profit and loss.

iv) Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share or profit or loss and OCI of equity –accounted investees until the date on which significant influence or joint control ceases.

v) Transactions eliminated on consolidation

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

C Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, Goods and Service Tax.

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

i) Sale of goods: Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales contract.

ii) Rendering of services : In contracts involving rendering of services, revenue is recognised in profit or loss in the proportion of the stage of completion of the transaction at the reporting date and are measured net of sales tax, works contract tax, service tax and Goods and Service Tax.

iii) Dividend income : Dividends are recognised in Statement of Profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

iv) Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

D Property, Plant and Equipment, Depreciation and Impairment:

i) Recognition and measurement:

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

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

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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

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition (April 01, 2016)

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.

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition (April 01, 2016)

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.

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition (April 01, 2016)

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

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

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

F Research and Development Cost:

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

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

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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.

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 Investment in associates

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

The Group has elected to continue with the carrying value of all its equity investments in its associates as recognized in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

I Inventories:

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

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

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

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

J Employee Benefits

i) <u>Short-term obligations</u>

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) <u>Other long-term employee benefit obligations</u>

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

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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.

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

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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.

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.

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P Contingent Liabilities

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

Q Cash and cash equivalents

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

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

Cash Flows

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

R Dividend

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

S Derivatives and hedging activities

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

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

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

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

(ii) Derivatives that are not designated as hedges

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

T Financial instruments

a. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing

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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.

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.

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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 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 trade;

c) it is due to be settled in demand or within 12 months after the reporting date; or

d) there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

V Operating cycle

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

W Recent Accounting Pronouncements

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates' and the new standard Ind AS 115, 'Revenue from Contract with Customers'. These amendments are applicable to the Group from 1st April, 2018.

Amendment to Ind AS 21:

On 28th March, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing 'Appendix B to Ind AS 21: Foreign currency transactions and advance consideration' which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from 1st April, 2018.

Standard issued but not yet effective (Ind AS 115):

On 28th March, 2018, the MCA notified the Ind AS 115, Revenue from Contracts with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The Group is in process of evaluating the impact due to above changes in accounting principles.

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3 First time adoption of Ind AS

Transition to Ind AS reporting

As stated in Note 2 A., the Group's financial statements for year ended consolidated financial statements prepared in compliance with Ind AS.

The adoption of Ind AS was carried out in accordance with Ind AS 101, using April 1, 2016 as the transition date. Ind AS 101 requires that all Ind AS standards that are effective for the first Ind AS Financial Statements for the year ending March 31, 2018, be applied consistently and retrospectively for all fiscal years presented.

All applicable Ind AS have been applied consistently and retrospectively wherever required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and Previous GAAP as of the Transition Date have been recognized directly in equity at the Transition Date.

Reconciliations: The following reconciliations help to understand the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

A Reconciliation of equity

Description	Notes	As at	
		March 31, 2017	March 31, 2016
Total net worth as per Indian GAAP (A)		9,61,843	6,93,821
Current practices and Ind AS gap differences			
Effects of transition to Ind-AS			
Adjustments pertaining to retained earnings			
Diminution in value of investments	1	681	-
Gain (net) on fair valuation of current investments	2	14,916	4,071
Reversal of rent equalisation reserve	3	147	68
ECL on Trade Receivables	10	(539)	-
Impact of discounting of security deposits:			
Prepaid rent amortisation	4	(161)	(51)
Fair valuation of security deposits	4	134	40
Remeasurement of defined benefit plan	5	32	-
Right issue expenses written off	6	-	(1,050)
Deferred tax on above adjustments		(3,627)	(811)
Proposed dividends taken as per date of declaration	7	-	21,195
Transfer of currency fluctuation reserve to retained earnings	8	-	(42,982)
Increase in retained earnings on account of transfer of currency fluctuation reserve	8	-	42,982
Transfer of currency fluctuation reserve to Other comprehensive income	8	(63,772)	-
(B)		(52,189)	23,462
Adjustments pertaining to other reserves			
Transfer of currency fluctuation reserve to Other comprehensive income	8	63,772	-
Remeasurement of defined benefit plan	5	(32)	-
Tax on item recognised in Other Comprehensive Income			
Tax on remeasurements of the defined benefit plan		11	-
(C)		63,751	-
Total net worth as per Ind AS (A + B + C)		**9,73,405**	**7,17,283**

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B Reconciliation between Profit as previously reported and total comprehensive income as per Ind AS for the year ended March 31, 2018

Description	Notes	Year Ended March 31, 2017
Profit under previous GAAP		3,31,782
Current practices and Ind AS gap differences		
Diminution in value of investments	1	681
Fair valuation of current investments	2	10,845
Reversal of rent equalisation reserve	3	79
ECL on Trade Receivables	10	(539)
Impact of discounts on security deposit		
Prepaid rent amortisation	4	(110)
Fair valuation of security deposits	4	94
Remeasurement of defined benefit plan	5	32
Right issue expenses written off	6	1,050
Deferred Tax on Ind AS Adjustments		(2,805)
		9,327
Changes in other comprehensive income due to Ind AS adjustments		
Transfer of currency fluctuation reserve to retained earnings	8	(63,772)
Remeasurement of Defined benefit Plan	5	(32)
Tax on item recognised in Other Comprehensive Income		
Tax on remeasurements of the defined benefit plan		11
Total comprehensive Income as at reporting date		(63,793)
		2,77,316

C Reconciliation between Cash and Cash Equivalent as previously reported and Cash and Cash Equivalent as per Ind AS for the year ended March 31, 2018

There were no differences between the Statement of Cash Flows presented under Ind AS and under IGAAP

Description	Notes	Year Ended March 31, 2017
Cash & Cash equivalent as per previous GAAP		4,27,438
Changes in cash & cash equivalent due to Ind AS adjustments		-
Cash & Cash equivalent as per Ind AS		4,27,438

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

Notes to the reconciliation:

1 Diminution in value of investments

Company has provided for diminution in value of investment. However, investment being valued at fair value in accordance under Ind AS, the provision has been written back

2 Fair valuation of Mutual Funds Investments

Under IGAAP, Mutual Funds Investments were carried at cost and only mark to market losses were recognised in Consolidated Statement of Profit and Loss. Under Ind AS, Mutual Funds Investments are fair valued at the period end and resulting mark to market loss or gain is transferred to Consolidated Statement of Profit and Loss.

3 Reversal of straight lining of lease rent

Lease rentals straight-lined under IGAAP, to the extent linked to inflation are reversed under Ind AS 17.

4 Fair valuation of non-current security deposits

Under IGAAP, security deposits are carried at their book values. Under Ind AS, non-cancellable deposits are required to be measured at their fair values at inception using an appropriate discounting rate.

5 Actuarial gain/loss on employee benefit plan

As per Ind AS 19, actuarial gains and losses relating to defined employee benefit plans are recognized in other comprehensive income as compared to being recognized in the Statement of profit and loss under IGAAP.

6 Right issue expenses written off

Company had capitalised the right issue expenses in 2015-16 and written off in 2016-17. These expense cannot be capitalised hence the same is expensed off in 2015-16.

7 Proposed dividend

Under IGAAP, proposed dividends are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (usually when approved by shareholders in a general meeting) or paid.

In the case of the Group, the declaration of dividend has occurred after period end. Therefore, the liability recorded for this dividend and tax thereon, has been derecognised against retained earnings for 1 April 2016 and recognised in the year 31 March 2017.

8 Foreign currency translation reserve

In accordance with Ind AS 101, the company has adopted the exemption to consider its cumulative currency translation differences for all foreign operations deemed to be zero as at April 01 2016. Accordingly the foreign currency translation reserve (FCTR) accumulated as of April 01, 2016 has been transferred to retained earnings.

Further, under IGAAP FCTR generated on translation of foreign operations was accounted as reserves, however under Ind AS the same is accounted through OCI statement. Adjustment to that effect has been considered in the financials.

9 Investment Property

In accordance with Ind AS 40, Property which has been held either to earn rental income or for capital appreciation or for both has been reclassified from property, plant and equipment to investment property.

10 Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the Company has estimated life time expected credit losses and recorded the same as at the transition date.

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

4 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	Up to April 01, 2017	Charge for the year	Disposal during the year	Translation adjustments	Up to March 31, 2018	At March 31, 2017	At March 31, 2018
A Property, plant and equipment												
Leasehold Land	3,117	-	-	-	3,117	25	36	-	-	61	3,092	3,056
Building (Refer note 1)	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	-
Motor Car	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	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	-	1,143	-	-	1,143	-	-	-	-	-	-	1,143
Software development	339	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 Company. Management is of the opinion that the building will be transferred in the name of the Company in due course."

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

4 Tangible and intangible assets

	Gross carrying amount					Accumulated depreciation / amortisation					Net block	
	Deemed cost at April 01, 2016 (Refer Note 2 below)	Additions during the year	Disposal during the year	Translation adjustments	As at March 31, 2017	Up to April 01, 2016	Charge for the year	Disposal during the year	Translation adjustments	Up to March 31, 2017	At April 01, 2016	At March 31, 2017
A Property, plant and equipment												
Leasehold Land	2,194	923	-	-	3,117	-	25	-	-	25	2,194	3,092
Building (Refer note 1)	1,06,826	24,005	-	(11,506)	1,19,325	-	2,385	-	(155)	2,230	1,06,826	1,17,095
Plant and Equipment	32,769	98,339	-	(910)	1,30,198	-	10,295	-	(1,081)	9,214	32,769	1,20,984
Furniture and Fixtures	718	240	-	-	958	-	185	-	-	185	718	773
Electrical Installation	31	2,264	-	-	2,295	-	10	-	-	10	31	2,285
Laboratory Equipment	181	-	-	-	181	-	46	-	-	46	181	135
Motor Car	3,458	-	-	-	3,458	-	1,033	-	-	1,033	3,458	2,425
Office Equipment	576	355	-	-	931	-	303	-	-	303	576	628
Computer	985	803	-	(69)	1,719	-	684	-	(7)	677	985	1,042
Office Building	45	-	-	-	45	-	2	-	-	2	45	43
Total A	**1,47,783**	**1,26,929**	**-**	**(12,485)**	**2,62,227**	**-**	**14,968**	**-**	**(1,243)**	**13,725**	**1,47,783**	**2,48,502**
B Capital work-in-progress	633	1,15,242	(1,15,759)	-	116	-	-	-		-	633	116
Total B	**633**	**1,15,242**	**(1,15,759)**	**-**	**116**	**-**	**-**	**-**	**-**	**-**	**633**	**116**
C Intangible assets												
Patent rights	7,283	2,737	-	41	10,061	-	1,082	-	1	1,083	7,283	8,978
Total C	**7,283**	**2,737**	**-**	**41**	**10,061**	**-**	**1,082**	**-**	**1**	**1,083**	**7,283**	**8,978**
D Intangible assets under development												
Patent rights	12,611	1,975	(3,137)	-	11,449	-	-	-	-	-	12,611	11,449
Software development	-	339	-	-	339	-	-	-	-	-	-	339
Total D	**12,611**	**2,314**	**(3,137)**	**-**	**11,788**	**-**	**-**	**-**	**-**	**-**	**12,611**	**11,788**
Total (A+B+C+D)	**1,68,310**	**2,47,222**	**(1,18,896)**	**(12,444)**	**2,84,192**	**-**	**16,050**	**-**	**(1,242)**	**14,808**	**1,68,310**	**2,69,384**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

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.

2 The Company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all of its Property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and used that as its deemed cost as at the date of transition (April 01, 2016) as per the following details:

Particulars	Gross Block (at cost)	Accumulated Depreciation (as per Previous GAAP)	Gross Block as per Ind AS
Leasehold Land	2,194	-	2,194
Building	1,10,214	3,388	1,06,826
Plant and Equipment	66,265	33,496	32,769
Furniture and Fixtures	4,568	3,850	718
Electrical Installation	1,224	1,193	31
Laboratory Equipment	954	773	181
Motor Car	10,176	6,718	3,458
Office Equipment	8,034	7,458	576
Computer	2,707	1,722	985
Office Building	134	89	45
Tangible Assets	**2,06,470**	**58,687**	**1,47,783**
Patent rights	10,666	3,383	7,283
Intangible Assets	**10,666**	**3,383**	**7,283**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

5 Investment Property

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

	Gross carrying amount					Accumulated depreciation / amortisation					Carrying amount	
	Deemed cost at April 01 2016 (Refer note 2 below)	Additions during the year	Deletion during the year	Translation Adjustments	As at March 31, 2017	Up to April 01, 2016	Charge for the year	Disposal during the year	Translation Adjustments	Up to March 31, 2017	At April 1, 2016	At March 31, 2017
Guest House	1,651	-	-	-	1,651	-	80	-	-	80	1,651	1,571
Total	**1,651**	**-**	**-**	**-**	**1,651**	**-**	**80**	**-**	**-**	**80**	**1,651**	**1,571**

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

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Depreciation	77	80	-
Profit / (loss) from investment property	**(77)**	**(80)**	**-**
(ii) Fair value			
Investment property #	2,550	1,571	1,651

 # 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, 2018

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

6 Investments

	As at					
	March 31, 2018		March 31, 2017		April 01, 2016	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Investment in Equity instruments of Associates (Unquoted) (Fully paid up) (Trade)						
Equity shares of SPArrow Bio-Polymer Products (P) Ltd of face value ₹ 10 each (46% holding)	4,600	-	4,600	46	4,600	46
Equity shares of Sphere Bio-Polymers (P) Ltd of face value ₹ 10 each (49% holding)	4,900	-	4,900	49	4,900	49
Accumulated share of loss of associate companies		-		(2,201)		(2,201)
		-		**(2,106)**		**(2,106)**
Investments						
in Equity Instruments (Unquoted), (Fully Paid). Non-Trade, at Fair value through Profit or Loss						
Shamrao Vithal Co- operative Bank		9		9		9
Equity Shares of ₹. 25/- each	300		300		300	
Equity Shares of ₹. 10/- each	100		100		100	
In mutual funds (quoted) (Non-Trade), at Fair Value through Profit or Loss (refer below details)		2,94,625		1,83,326		1,58,618
		2,94,634		**1,83,335**		**1,58,626**
Aggregate amount of quoted investments and market value thereof		2,94,625		1,83,326		1,58,618
Aggregate amount of unquoted investments		9		9		9
Aggregate amount of impairment in the value of investments		-		-		-

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

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

	As at					
	March 31, 2018		March 31, 2017		April 01, 2016	
	Units	Amount	Units	Amount	Units	Amount
Avendus Absolute Return Fund	-	10,494	-	-	-	-
DHFL Pramerica Arbitrage Fund - Quarterly Dividend	-	-	-	-	19,35,696	20,087
DHFL Pramerica Arbitrage Fund - Monthly Dividend	-	-	-	-	9,61,307	10,003
DHFL Pramerica Short Maturity Fund-Growth	-	-	3,21,977	9,593	3,21,977	8,758
Franklin India FLEXI CAP Fund-Dividend	-	-	-	-	4,88,866	8,217
GLMSF - Fund Class	248	21,833	-	-	-	-
HDFC Corp Debt Opportunities Fund -Regular *	26,87,329	38,727	26,87,329	36,435	26,87,329	32,978
HDFC Short Term Plan - Monthly Dividend	8,27,284	8,598	13,08,359	13,576	13,08,359	13,529
HDFC TOP 200 Fund-Dividend	1,10,166	5,226	1,10,166	5,509	1,10,166	4,633
ICICI Prudential Equity Arbitrage Fund -Regular Plan	-	-	5,44,868	7,488	5,44,868	7,492
ICICI Prudential Short Term Plan - Retail Plan - Dividend	-	-	12,79,252	15,698	12,79,252	15,534
ICICI Prud. Equity Income Fund Regular Plan **	29,18,288	33,123	29,18,288	33,298	29,18,288	29,855
ICICI Flexi Income - Daily Dividend	8,24,079	87,182	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Dividend	7,27,453	9,922	7,27,453	9,997	-	-
ICICI Prudential Value Discovery Fund - Dividend	3,94,938	11,366	3,45,526	10,732	-	-
ICICI Prudential Equity Arbitrage Fund-Dividend	1,45,396	1,983	-	-	-	-
IDFC Corporate Bond Fund Regular Plan - Growth	9,52,962	11,329	9,52,962	10,646	-	-
IDFC SSIF - Short Term - Plan A - Monthly Dividend Payout	7,39,331	7,539	7,39,331	7,525	7,39,331	7,532
Motilal Oswal Most Focused Multicap 35 Fund- Regular Dividend Reinvestments	5,81,428	14,063	5,34,397	12,168	-	-
Reliance Regular Savings Fund-Debt Plan - Growth Plan Growth Option	4,70,568	11,391	4,70,568	10,661	-	-
Stallion Total Return Fund	28,249	21,849	-	-	-	-
		2,94,625		**1,83,326**		**1,58,618**

* Lien marked by Bank for Bank Guarantee /Letter of Credit in FY 2017-18 and FY 2016-17
** 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, 2018

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
7 Loans			
Unsecured, considered good			
Security deposits - others	3,234	3,663	1,689
	3,234	**3,663**	**1,689**
8 Other financial asset			
Fixed deposits with Bank (maturity more than 12 months) *	3,988	3,176	787
Accrued interest	-	16	28
	3,988	**3,192**	**815**
*Held as lien by bank against bank guarantee of (Mar 31,2018 ₹. 903, Mar 31,2017 ₹. 2,290, Apr 01, 2016 ₹. 787)			
9 Income tax assets (Net)			
Advance Income Tax (Net of Provision for Taxation of (Mar 31,2018 ₹. 112,626, Mar 31,2017 ₹. 99,222, Apr 01,2016 ₹.75,500)	7,173	4,294	-
	7,173	**4,294**	**-**
10 Other non-current assets			
Unsecured, considered good			
Capital advances	18,814	18,600	22,504
Prepaid expenses	170	281	391
	18,984	**18,880**	**22,895**
11 Inventories			
Raw materials and components:			
Polyvinyl Alcohol	6,805	1,468	1,225
Chemicals	907	2,777	450
Others	560	300	653
Total	**8,272**	**4,545**	**2,328**
Work in progress:			
Water Soluble Films	16,963	2,935	1,191
Finished goods:			
Water Soluble Films	8,076	5,919	1,693
Stock in trade			
Cleaning products	12,238	5,360	4,724
Stores and spares	560	987	-
	46,109	**19,746**	**9,936**
12 Trade Receivables			
Unsecured			
Dues from trade receivables considered good	79,932	95,456	55,878
Dues from trade receivables considered doubtful	1,897	685	-
Less: Allowance for doubtful debts	(1,897)	(685)	-
	79,932	**95,456**	**55,878**

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

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
13 Cash and cash equivalents			
Balance with bank:			
On current accounts	2,90,335	4,02,939	3,61,451
Deposits with original maturity of less than 3 months**	125	24,359	41,561
Cash on hand	64	140	2,056
	2,90,524	**4,27,438**	**4,05,068**
**Held as lien by bank against bank guarantee amounting to, Mar 31,2018 Nil, Mar 31,2017 ₹. 500 , Apr 01,2016 Nil			
14 Bank balances other than cash and cash equivalents			
Unclaimed Dividend Account	3,735	2,413	1,255
Deposits with maturity of more than 3 months but less than 12 months***	1,385	4,815	-
	5,120	**7,228**	**1,255**
***Held as lien by bank against bank guarantee amounting to, Mar 31,2018 Nil, Mar 31,2017 ₹. 1,444 , Apr 01,2016 Nil			
15 Loans			
Unsecured, considered good			
Security deposits - Others	109	104	94
	109	**104**	**94**
16 Other financial assets			
Unsecured, considered good			
Dividend receivable	584	534	92
Interest accrued on deposits with bank	163	183	254
Accrued Income	-	-	15
Derivatives	2,208	-	-
Export benefit receivable	-	-	10,145
	2,955	**717**	**10,506**
17 Other current assets			
Unsecured, considered good unless stated otherwise			
Advance to suppliers			
Considered Good	565	788	9,261
Considered Doubtful	1,550	1,404	-
Less Provision for Doubtful Advance	(1,550)	(1,404)	-
	565	788	9,261
Prepaid expenses	4,812	962	881
Advance to employees	2,855	1,270	1,139
Balance with Government authorities	28,047	16,188	10,912
Gratuity (Refer Note 41)	-	404	-
	36,279	**19,611**	**22,193**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

18 Equity share capital

a) Equity share capital

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorised share capital						
Equity shares of ₹. 10 each	1,50,00,000	1,50,000	1,50,00,000	1,50,000	1,50,00,000	1,50,000
Issued, Subscribed and Paid Up :						
Equity shares of ₹. 10 each fully paid	1,17,39,948	1,17,399	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, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	Amount	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	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**	**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 the Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding
Arrow Convertors Pvt Ltd	11,96,014	10%	11,96,014	10%	11,96,014	10%
Jigisha S. Patel	15,18,503	13%	17,18,503	15%	17,18,503	15%
Shilpan P. Patel	32,26,342	27%	33,26,342	28%	34,76,342	30%
Shilpan Patel (HUF)	8,99,316	8%	8,99,316	8%	8,99,316	8%
	68,40,175	**58%**	**71,40,175**	**61%**	**72,90,175**	**62%**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

		As at		
		March 31, 2018	**March 31, 2017**	**April 01, 2016**
19 Other Equity				
General Reserve	19 (i)	200	200	200
Capital reserve	19 (ii)	8,218	8,218	8,218
Securities premium reserve	19 (iii)	29,199	29,199	29,199
Retained earnings	19 (iv)	8,18,884	8,82,149	5,62,267
Foreign currency translation reserve	19 (v)	2,639	(63,761)	-
		8,59,140	**8,56,005**	**5,99,884**

		As at	
		March 31, 2018	**March 31, 2017**
19 (i)	**Reserves and surplus**		
	General reserve		
	Balance at the beginning of the year	200	200
	Movement during the year	-	-
	Balance at the end of the year	**200**	**200**
19 (ii)	**Capital reserve**		
	Balance at the beginning of the year	8,218	8,218
	Movement during the year	-	-
	Balance at the end of the year	**8,218**	**8,218**
19 (iii)	**Securities premium reserve**		
	Balance at the beginning of the year	29,199	29,199
	Movement during the year	-	-
	Balance at the end of the year	**29,199**	**29,199**
19 (iv)	**Retained earnings**		
	Opening Balance at the beginning of the year	8,82,149	5,62,267
	Add : Profit for the year	2,747	3,41,056
	Less : Dividend paid	(65,747)	(17,610)
	Less : Dividend distribution tax on above	-	(3,584)
	Items that will not be reclassified to profit or loss :		
	- Remesurement of defined benefit obligation	(375)	32
	- Income tax relating to above item	109	(11)
	Balance as at the year end	**8,18,884**	**8,82,149**
19 (v)	**Other Comprehensive Income**		
	Foreign Currency Translation Reserve		
	Opening balance	(63,761)	-
	Add: for the year	66,400	(63,761)
	Balance as at the year end	2,639	(63,761)
		8,59,140	**8,56,005**
	Proposed dividend on equity shares not recognised		
	Final dividend for the year ended ₹ 2 per share (PY ₹ 5.6 per share)	23,480	65,747
	Dividend distribution tax on proposed dividend	4,780	-
		28,260	**65,747**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

Note
Nature of reserves

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

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

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

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
20 Provisions			
Provision for employee benefits (Refer note 41)			
- Leave encashment (un funded)	800	532	368
- Gratuity (funded)	-	-	279
	800	**532**	**647**
21 Borrowings			
Unsecured (interest free repayable on demand)			
From Directors	131	114	136
From Others	376	330	386
	507	**444**	**522**
22 Trade payables			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 40)	69	-	-
Total outstanding dues to others	25,011	22,937	22,774
	25,080	**22,937**	**22,774**
23 Other financial liabilities			
Unclaimed Dividend ^	3,732	2,413	1,252
Employee Benefits Payable	2,855	3,267	3,643
Outstanding liability for expenses	3,291	2,296	792
Trade payable for capital goods (other than small and medium enterprises)	11,954	18,216	15,582
	21,832	**26,192**	**21,269**
^ There are no unpaid dividend which is required to be transferred to Investors Education Protection Fund			
24 Income tax liabilities (Net)			
Income tax provision (Net) (Net of Advance Tax of (April 1,2016 ₹ 53,306)	-	-	72,137
	-	**-**	**72,137**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
25 Provisions			
Provision for employee benefits (Refer note 41)			
- Gratuity (funded)	2,072	-	-
- Leave encashment (un funded)	268	229	157
	2,340	**229**	**157**
26 Other current liabilities			
Statutory Dues Payable	1,928	3,128	8,266
Advances from customer	640	358	614
	2,568	**3,486**	**8,880**

	Year ended	
	March 31, 2018	**March 31, 2017**
27 Revenue from operations		
Sale of products (including excise duty net of sales return)		
Finished goods	65,337	62,412
Traded goods	78,245	24,883
Services rendered		
Royalty Income - Patent	1,50,966	4,02,289
Consulting Income	45,734	40,561
Other Operating Revenue		
Rent Income	6,820	2,928
Sale of scrap	172	149
Revenue from Operations	3,47,274	5,33,222
Detail of Sale of Products / Services		
Finished goods sold		
Water Soluble Films	65,337	62,412
	65,337	**62,412**
Traded goods sold		
Cleaning Products	10,335	7,544
Other Business	65,918	17,269
Water Soluble films	1,992	70
	78,245	**24,883**

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, 2018 are not comparable with those of the previous year.

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

	Year ended	
	March 31, 2018	**March 31, 2017**
28 Other Income		
Dividend Income		
From Non-current Investment in Mutual Fund measured at Fair Value through profit or loss	8,431	7,016
From Non-current Equity instruments in Erstwhile Subsidiary measured at cost	-	12,841
Interest Income received on Financial Assets - Carried at amortised cost		
On Fixed Deposit with Bank	1,109	1,677
On Loans and Deposits	235	-
On Others	318	108
Foreign Exchange Gain (net)	6,470	12,940
Net Gain on Sale of non-current Investments in Mutual Fund	3,283	822
Miscellaneous Income	1,666	1,322
Net Gain on Fair valuation of non-current Investments in Mutual Fund measured at Fair value through profit or loss	1,175	10,845
	22,687	**47,571**
29 Cost of raw materials consumed		
Inventory at the beginning of the year	4,545	2,330
Add: Purchases	38,302	20,455
Less: Inventory at the end of the year	8,272	4,545
	34,575	**18,240**
30 Change in inventory of finished goods, work-in-progress and stock in trade		
Inventories at the end of the year		
Stock In Trade	12,238	5,360
Work-in-progress	16,963	2,935
Finished goods	8,076	5,919
Inventories at the beginning of the year		
Stock In Trade	5,360	4,724
Work-in-progress	2,935	1,191
Finished goods	5,919	1,693
	(23,105)	**(6,607)**
31 Employee benefits expense		
Salary, Wages and Bonus	63,767	40,948
Contribution to Provident and other funds (Refer note - 41)	2,106	1,472
Gratuity and Leave Encashment (Refer note - 41)	3,646	1,841
Staff welfare expenses	2,367	1,094
	71,886	**45,355**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

	Year ended	
	March 31, 2018	**March 31, 2017**
32 Other expenses		
Consumption of stores and spares	3,072	840
Repair and Maintenance - Building	851	1,704
Repair and Maintenance - Machinery	1,012	710
Repair and Maintenance - Other	2,329	2,032
Rent (Refer note 38)	5,069	4,624
Insurance	444	240
Power and Fuel	22,976	10,525
Labour Charges	5,910	3,559
Factory Expenses	1,742	2,104
Selling and Promotion Expenses	4,741	2,439
Freight and Forwarding	5,606	2,139
Lease Rent and Hire Charges (Refer note 38)	10,699	-
Postage and Telephone Expenses	2,337	1,799
Printing and Stationery	1,099	771
Travelling and Conveyance	20,212	13,369
Legal and Professional Charges	26,854	16,541
Patent Charges	3,049	2,127
Donations	4,500	1,351
Provision For Doubtful Advance	146	1,404
Provision For Doubtful debts	1,212	684
Payment to Auditors (exclusive of service tax & GST) (refer note 33)	2,895	2,168
Corporate Social Responsibility Expense - Holding Company (refer note 34)	2,461	1,755
Bank Charges	723	430
Sundry Balances written off	2,401	2,280
Other Misc Expenses	5,732	11,239
	1,38,071	**86,834**
33 Payment to Auditors (exclusive of service tax & GST)		
As auditor		
Auditors Remuneration	2,277	1,698
Tax audit fees	200	200
Limited review fees	300	200
Other Capacity		
Other services (Certification fees)	95	50
Taxation matters	-	17
Reimbursement of expenses	23	3
	2,895	**2,168**
34 Corporate Social Responsibility Expense - Holding Company		
Gross amount required to be spent by the group during the year		
Corporate Social Responsibility Expense	2,505	1,894
Amount spent during the year (paid in cash)		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	2,461	1,755
Amount spent during the year (yet to paid in cash)		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	-	-
	2,461	**1,755**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

	Year ended	
	March 31, 2018	**March 31, 2017**
35 Income taxes		
a. Income tax expense is as follows:		
Statement of Profit and Loss		
Current tax:		
Tax for the year	32,276	54,819
Adjustments for current tax of prior periods	824	(14,105)
Total current tax expense	**33,100**	**40,714**
Deferred tax:		
Deferred tax expenses	(2,442)	6,791
Total deferred tax expense	**(2,442)**	**6,791**
Income tax expense	**30,658**	**47,505**
Other comprehensive income		
Deferred tax related to OCI items:		
Net loss / (gain) on remeasurements of defined benefit plans	109	(11)
	109	**(11)**

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, 2018		**March 31, 2017**	
Profit before tax		32,373		3,93,904
Tax at the Indian tax rate	28.84%	9,336	34.61%	1,36,322
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	52.38%	16,957	8.27%	32,560
Differences in tax rates in respect of dividend from foreign subsidiary & Short term capital gain	47.33%	15,321	0.04%	142
Non-deductible expenses	1.87%	607	2.13%	8,396
Exempt income	-7.46%	(2,416)	-0.62%	(2,428)
Others	0.59%	190	2.24%	8,835
	94.70%	**30,658**	**12.06%**	**47,505**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

c. Deferred Tax Liabilities (net)

(i) Movement in deferred tax liabilities for the year ended March 31, 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**

(ii) Movement in deferred tax liabilities for the year ended March 31, 2017

	Net balance April 01, 2016	Recognised through Profit and Loss	Recognised through OCI	Net balance March 31, 2017
Deferred tax on:				
Property, plant and equipment	2,431	5,317	-	7,748
Fair valuation of investments in mutual fund	814	2,627	-	3,441
provision for doubtful debts and Advances and disallowances under Section 43B of the Income tax Act, 1961	-	(1,332)	11	(1,321)
Others	(3)	179	-	176
	3,242	**6,791**	**11**	**10,044**

36 Earnings Per Share

Calculation of basic and diluted EPS is as follows	**Year ended**	
	March 31, 2018	**March 31, 2017**
Profit for the year attributable to Owners of the Company	2,747	3,41,056
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	0.23	29.05
- Diluted	0.23	29.05

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
37 Contingent liabilities and Commitments			
Contingent Liabilities			
(a) Sales tax matters not acknowledged as debt (amount paid under protest ₹ 349 (March 31, 2017: ₹ 349, April 01, 2016 ₹ 349)	81,063	81,063	14,982
(b) Income tax matters not acknowledged as debt (amount paid under protest ₹ 1,304 (March 31, 2017: ₹ 1,304, April 01, 2016 Nil)	10,537	8,192	-
(c) Bank Guarantees given	6,340	4,235	701
	97,940	93,490	15,683

38 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 :

a. No transfer of ownership on termination of lease
b. 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, 2018	**March 31, 2017**	**April 01, 2016**
Lease rent expenses for the year *	15,768	4,624	3,366
Minimum lease payments			
(a) Due within one year	8,548	4,835	3,545
(b) Due later than one year and not later than five years	6,791	12,274	11,526
(c) Due later than five years	-	-	-
*Lease Rent Expenses for March 31, 2018 include Rent on Machinery and Amortization of expenses of ₹ 10,699 (PY Nil)			

39 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 Group's business activity falls within a single primary business segment, the disclosure requirements of Ind AS-108 in this regard are not applicable.

40 Micro, Small and Medium Enterprise

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, 2018	**March 31, 2017**	**April 01, 2016**
Principal amount remaining unpaid at the end of the year	69	-	-
Interest due thereon	-	-	-
Interest remaining accrued and unpaid at the end of the year	-	-	-
Total Interest accrued and remained unpaid at year end	-	-	-

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

41 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.

	Year ended	
	March 31, 2018	**March 31, 2017**
Employer's Contribution to Provident Fund	1,728	1,231
Employer's Contribution to Employees State Insurance Corporation	378	241

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, 2018	**March 31, 2017**
Opening defined benefit obligation	1,743	1,096
Benefits paid	-	(1,111)
Current service cost	349	1,743
Interest cost	129	-
Past service cost	2,809	-
Actuarial losses / (gain) recognized in other comprehensive income changes in		
- demographic assumptions	-	-
- changes in financial assumptions	(127)	-
- experience adjustments	477	15
Liabilities assumed / (settled)	-	-
Closing defined benefit obligation	**5,380**	**1,743**

Reconciliation of the fair value of plan assets:

	Year ended	
	March 31, 2018	**March 31, 2017**
Opening fair value of plan assets	2,147	817
Interest Income	159	-
Employer contributions	1,027	1,299
Benefits paid	-	(16)
Actuarial gains on Plan Assets	(25)	47
Closing fair value of plan assets	**3,308**	**2,147**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

Balance sheet reconciliation

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Opening defined benefit obligation	1,743	1,096	894
Opening fair value of plan assets	(2,147)	(817)	(817)
Expenses recognised in profit and loss	3,128	1,743	202
Expenses recognised in Other Comprehensive Income	375	(32)	-
Employer contributions	(1,027)	(1,299)	-
Benefits paid	-	(1,095)	-
Net (Asset) / Liability recognised in the Balance sheet	**2,072**	**(404)**	**279**

Expenses recognised in Statement of Profit and Loss:

	Year ended	
	March 31, 2018	**March 31, 2017**
Current service cost	349	1,743
Interest cost	(30)	-
Past Service Cost	2,809	-
	3,128	**1,743**

Remeasurements recognised in other comprehensive income

	Year ended	
	March 31, 2018	**March 31, 2017**
Actuarial (gain) loss on defined benefit obligation	350	15
Return on plan assets excluding interest income	25	(47)
	375	**(32)**

Analysis of plan assets

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Insurer managed funds (%)	100%	100%	0%
Others (%)	0%	0%	100%
	100%	**100%**	**100%**

Maturity profile of defined benefit obligation

	As at	
	March 31, 2018	**March 31, 2017**
1 Year	2,280	161
2 to 5 years	665	273
6 to 10 years	1,411	663
More than 10 years	6,283	3,096

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

Actuarial assumption

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

	As at	
	March 31, 2018	**March 31, 2017**
Discount Rate (p.a.)	7.78%	7.39%
Salary escalation rate (p.a.)	5.00%	5.00%
Expected rate of return on assets	7.78%	7.39%
Employee Turnover	Service < 5-10% Service >=5-3%	Service < 5-10% Service >=5-3%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	NA	NA

Notes :

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, 2018	**March 31, 2017**
Projected Benefit Obligation on Current Assumptions	5,380	1,743
Discount Rate: 1% increase	(293)	(154)
Discount Rate: 1% decrease	342	179
Future salary growth: 1% increase	257	181
Future salary growth: 1% decrease	(239)	(158)
Change in Rate of Employee Turnover : 1% Increase	139	23
Change in Rate of Employee Turnover : 1% Decrease	(160)	(28)

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

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, 2018	**March 31, 2017**	**April 01, 2016**
Compensated absences liability	1,068	532	525
Actuarial assumption			
Discount rate	7.78%	7.39%	7.14%
Long–term rate of compensation increase	5.00%	5.00%	5.00%

Expenses recognised in Statement of Profit and Loss towards compensated absences are ₹ 518 (PY ₹ 98)

40 Related party disclosures

a) Related parties and their relations

Name of Related Party	Relationship
SP Arrow Bio Polymer Products Private Limited Sphere Bio Polymer Private Limited	Associate Company
Mr. Shilpan P. Patel - Managing Director Mr. Neil Patel - Joint Managing Director Mr. Hitesh Punglia - Chief Financial Officer* Mr. Narayan Navin Jha - Chief Financial Officer* Mrs. Poonam Bansal - Company Secretary	Key Management Personnel (KMP)
Mrs. Jigisha S Patel	Relative of key management personnel
Grace Paper Industries Private Limited Aquavista Limited Arrow Convertors Private Limited Avery Bio –Degradable Products Private Limited	Enterprises over which Key Management Personnel are able to exercise significant influence

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

b) Transaction with Related Parties & Outstanding Balance as on April 01, 2016, March 31, 2017 and March 31, 2018 :

	Transactions for the year ended		Balances receivable/(payable) as of		
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	April 01, 2016
Mr. Shilpan P. Patel					
Rent Expenses	960	840	(311)	-	(27)
Loan taken and outstanding	-	-	(131)	(115)	(135)
Arrow Convertors Private Limited					
Rent Expenses	540	408	-	-	-
Purchases	971	-	(1,048)	-	-
Grace Paper Industries Private Limited					
Purchase of Stores and Spares	-	146	-	-	-
Avery Bio –Degradable Products Private Limited					
Purchase of Capital Assets	-	15,750	-	-	(4,275)
Aquavista Limited					
Purchase of Capital Assets	-	4,077	-	-	-
Consultancy services received	2,394	868	-	-	-
Impairment Loss on Investment in Associates					
SP Arrow Bio Polymer Products Private Limited	46	-	-	46	46
Sphere Bio Polymer Private Limited	49	-	-	49	49
Remuneration to Key Managerial Personnel & Relatives					
Mr. Shilpan P. Patel - Managing Director	7,500	7,500	-	-	-
Mr. Neil Patel - Joint Managing Director	7,500	4,200	-	-	-
Mr. Hitesh Punglia - Chief Financial Officer*	4,121	2,703	-	-	-
Mr. Narayan Navin Jha - Chief Financial Officer*	-	62	-	-	-
Mrs. Poonam Bansal - Company Secretary	845	806	-	-	-
Mrs. Jigisha S Patel	681	450	-	-	-

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

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

43 Financial Instruments - Accounting Classifications and Fair Value Measurements

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

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

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

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

A As at April 01, 2016	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Investments	-	1,58,626	-	1,58,626	1,58,626	-	-
Loans	1,689	-	-	1,689	-	-	-
Other financial asset	815	-	-	815	-	-	-
	2,504	**1,58,626**	**-**	**1,61,130**	**1,58,626**	**-**	**-**
Current Financial Asset							
Trade Receivables	55,878	-	-	55,878	-	-	-
Cash and cash equivalents	4,05,068	-	-	4,05,068	-	-	-
Bank balances other than Cash and cash equivalents	1,255	-	-	1,255	-	-	-
Loans	94	-	-	94	-	-	-
Other financial assets	10,506	-	-	10,506	-	-	-
	4,72,801	-	-	4,72,801	-	-	-
Total	**4,75,305**	**1,58,626**	**-**	**6,33,931**	**1,58,626**	**-**	**-**
Current Financial liabilities							
Borrowings	522	-	-	522	-	522	-
Trade payables	22,774	-	-	22,774	-	-	-
Other financial liabilities	21,269	-	-	21,269	-	-	-
Total	**44,565**	**-**	**-**	**44,565**	**-**	**522**	**-**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

B As at March 31, 2017	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Investments	-	1,83,335	-	1,83,335	1,83,335	-	-
Loans	3,663	-	-	3,663	-	-	-
Other financial asset	3,192	-	-	3,192	-	-	-
	6,855	**1,83,335**	**-**	**1,90,190**	**1,83,335**	**-**	**-**
Current Financial assets							
Trade Receivables	95,456	-	-	95,456	-	-	-
Cash and cash equivalents	4,27,438	-	-	4,27,438	-	-	-
Bank balances other than Cash and cash equivalents	7,228	-	-	7,228	-	-	-
Loans	104	-	-	104	-	-	-
Other financial assets	717	-	-	717	-	-	-
	5,30,943	-	-	5,30,943	-	-	-
Total	**5,37,798**	**1,83,335**	**-**	**7,21,133**	**1,83,335**	**-**	**-**
Current Financial liabilities							
Borrowings	444	-	-	444	-	444	-
Trade payables	22,937	-	-	22,937	-	-	-
Other financial liabilities	26,192	-	-	26,192	-	-	-
Total	**49,573**	**-**	**-**	**49,573**	**-**	**444**	**-**

C As at March 31, 2018	Carrying value				Fair value		
	Amortised Cost	FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Investments	-	2,94,634	-	2,94,634	2,94,634	-	-
Loans	3,234	-	-	3,234	-	-	-
Other financial asset	3,988	-	-	3,988	-	-	-
	7,222	2,94,634	-	3,01,856	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	109	-	-	109	-	-	-
Other financial assets	2,955	-	-	2,955	-	-	-
	3,78,640	-	-	3,78,640	-	-	-
Total	**3,85,862**	**2,94,634**	**-**	**6,80,496**	**2,94,634**	**-**	**-**
Current Financial liabilities							
Borrowings	507	-	-	507	-	507	-
Trade payables	25,080	-	-	25,080	-	-	-
Other financial liabilities	21,832	-	-	21,832	-	-	-
Total	**47,419**	**-**	**-**	**47,419**	**-**	**507**	**-**

During the reporting period ending 31 March 2018 and 31 March 2017, 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, 2018

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

44 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 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 Group'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 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 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 Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Trade and other receivables

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

	As at		
	March 31, 2018	**March 31, 2017**	**April 01, 2016**
Less than 180 days	35,129	95,434	44,401
From 181 - 365 days	45,448	427	168
More than 365 days	1,252	280	11,309
Total	**81,829**	**96,141**	**55,878**
Less : Provision for Doubtful Debts	1,897	685	-
Total	**79,932**	**95,456**	**55,878**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

Expected credit loss assessment for customers as at April 1, 2016, 31 March 31, 2017 and March 31, 2018

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

	Amount
Balance as at April 01, 2016	**-**
Impairment loss recognised	685
Amounts written off / written back	-
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**

Cash and bank balance

The Group held cash and bank balance with credit worthy banks and financial institutions of ₹ 2,95,644 and ₹ 4,34,666 as at March 31, 2018 and March 31, 2017 respectively.The credit worthiness of such banks and financial institutions is evaluated by the management on an on-going basis and is considered to be good.

ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time. The 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 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, 2018		As at March 31, 2017		As at April 01, 2016	
	Less than 1 year	1 to 3 years	Less than 1 year	1 to 3 years	Less than 1 year	1 to 3 years
Borrowings	507	-	444	-	522	-
Trade payables	25,011	-	22,937	-	22,774	-
Other financial liabilities	21,832	-	26,192	-	21,269	-
Bank Guarantee given	2,393	3,947	1,944	2,291	-	701

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, 2018

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

a) Foreign currency risk

Foreign currency exposure	US$	EUR	GBP	CHF	JPY	Total
March 31, 2016						
Financial assets						
Trade receivables	-	50,452	2	-	1,256	51,710
Cash and cash equivalents	10,888	1,93,044	-	327	-	2,04,259
Net exposure to foreign currency risk (assets)	**10,888**	**2,43,496**	**2**	**327**	**1,256**	**2,55,969**
Financial Liabilities						
Trade payables	16,766	-	10,102	-	-	26,868
Other financial liabilities	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**16,766**	**-**	**10,102**	**-**	**-**	**26,868**
Rupee Conversion Rate	66.33	75.10	95.09	68.54	0.59	-
March 31, 2017						
Financial assets						
Trade receivables	64	84,111	2	-	-	84,177
Cash and cash equivalents	8,816	1,44,560	-	-	-	1,53,376
Net exposure to foreign currency risk (assets)	**8,880**	**2,28,671**	**2**	**-**	**-**	**2,37,553**
Financial Liabilities						
Trade payables	240	-	-	-	-	240
Other financial liabilities	-	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**240**	**-**	**-**	**-**	**-**	**240**
Rupee Conversion Rate	64.84	69.25	80.88	-	-	-
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, 2018		March 31, 2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
US$	346.29	(346.29)	61.24	(61.24)
EUR	821.15	(821.15)	1,620.82	(1,620.82)
GBP	(7.26)	7.26	0.01	(0.01)
Increase / (decrease) in profit and loss	**1,160**	**(1,160)**	**1,682**	**(1,682)**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

45 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.

46 Business Combinations

A) Subsidiaries

The Group's subsidiaries as at March 31, 2018, March 31, 2017 and April 01, 2016 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, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016	
		%	%	%	%	%	%	
Arrow Green Technologies (UK) Limited	United Kingdom	100	100	100	-	-	-	Intellectual Property and Intellectual Property based products
Advance IP Technologies Limited	United Kingdom	95	95	95	5	5	5	Intellectual Property and Intellectual Property based products
Arrow Realty Limited*	United Kingdom	-	-	100	-	-	-	Investment Arm
Avery Pharmaceuticals Private Limited	India	99	-	-	1	-	-	Pharmaceuticals products
LQ Arrow Security Products (India) Private Limited	India	100	-	-	-	-	-	Security based products
Arrow Secure Technology Private Limited	India	100	100	100	-	-	-	Security based products

*From January 04, 2017 Arrow Realty Limited has been merged with Arrow Green Technologies (UK) Limited

Notes to the Consolidated financial statements for the year ended March 31, 2018

(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	Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current assets	1,18,392	2,07,872	2,439	-
Current liabilities	5,283	1,081	9	-
Net current assets	**1,13,110**	**2,06,790**	**2,431**	**-**
Non Current assets	49,313	5,331	7	-
Non Current liabilities	1,668	3,181	-	-
Net non-current assets	**47,645**	**2,150**	**7**	**-**
Net assets	**1,60,755**	**2,08,940**	**2,437**	**-**
Accumulated NCI	**19,683**	**17,945**	**24**	**-**

Summarised Statement of Profit and Loss	Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue	64,509	1,55,812	69	-
Profit for the year	(20,640)	1,06,870	(63)	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(20,640)	1,06,870	(63)	-
Profit allocated to NCI	(1,032)	5,343	(1)	-
Dividend paid to NCI	2,769	-	-	-

Summarised cash flows	Advance IP Technologies Limited (5%)		Avery Pharmaceuticals Private Limited (1%)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cash flows from operating activities	7,389	89,426	(61)	-
Cash flows from investing activities	(44,927)	(4,290)	-	-
Cash flows from financing activities	(52,288)	-	2,500	-
Net increase/(decrease) in cash and cash equivalents	**(89,826)**	**85,136**	**2,439**	**-**

Notes to the Consolidated financial statements for the year ended March 31, 2018

(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 2017-18 and FY 2016-17.

D) Interests in associates

Set out below are associates of the group as at March 31, 2018 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, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
SP Arrow Bio Polymer Products Private Limited	India	46	-*	-*	-*	-	46	46
Sphere Bio Polymer Private Limited	India	49	-*	-*	-*	-	49	49
Accumulated share of loss of associate companies							(2,201)	(2,201)
Total equity accounted investments								
*Unlisted entity- no quoted price available.								

47 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	4,93,284	51%	70,253	2557%	(265)	0%	69,988	102%
Arrow Green Technologies (UK) Limited (consolidated)	4,78,237	49%	(67,378)	-2453%	66,400	100%	(978)	-1%
Arrow Secure Technology Private Limited	96	0%	(49)	-2%	-	0%	(49)	0%
Avery Pharmaceuticals Private Limited	2,437	0%	(63)	-2%	-	0%	(63)	0%
LQ Arrow Security Products (India) Private Limited	2,483	0%	(17)	-1%	-	0%	(17)	0%
Total	**9,76,538**	**-**	**2,747**	**-**	**66,1635**	**-**	**68,882**	**-**

Notes to the Consolidated financial statements for the year ended March 31, 2018

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

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

Part A: Subsidiaries

Name of Subsidiary Company	Reporting currency & Eq. in ₹	Share capital	Reserve and surplus	Total Assets	Total Liabilities	Investment	Turnover / Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
Arrow Green Technologies (UK) Limited	INR	1,855	3,34,857	3,38,282	1,570	2,315	1,87,090	5,507	1,388	4,119	-	100
	GBP	20	3,629	3,666	17	25	2,188	64	16	48	-	
Advance IP Technologies Limited	INR	92	1,60,662	1,67,706	6,951	43,682	64,509	(21,204)	(564)	(20,640)		95
	GBP	1	1,741	1,817	75	473	754	(248)	(7)	(241)	-	
Arrow Secure Technology Private Limited	INR	4,313	(4,216)	142	46	-	-	(49)	-	(49)	-	100
Avery Pharmaceuticals Private Limited	INR	2,500	(63)	2,446	9	-	69	(63)	-	(63)	-	99
LQ Arrow Security Products (India) Private Limited	INR	2,500	(17)	2,492	9	1,983	37	(17)	-	(17)	-	100

Exchange rates	INR	GBP
31-Mar-18	Avg. Rate	85.50
	Closing Rate	92.28

Part B: Associate

Statement pursuant to Section 129 (3) of the Act related to associate company

Name of Associate Company	Last audited Balance Sheet date	Share of associate held by the Company on the year end			Net worth attributable to share holding as per the latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate is not consolidated
		Nos.	Amount of investment in associate	Extent of holding (%)		Considered in consolidation	Not Considered in consolidation		
SP Arrow Bio Polymer Products Private Limited	31-Mar-18	4,600	46	46%	(2,488)	-	(596)	Refer note 1	Refer note 2
Sphere Bio Polymer Private Limited	31-Mar-18	4,900	49	49%	(17)	-	(41)	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

NOTES

Route map for the venue of the 26th Annual General Meeting

ARROW GREENTECH LIMTED

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 LIMTED

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 26th Annual General Meeting of the Company on Saturday, 15th September 2018 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 LIMTED

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 26th Annual General Meeting of the Company, to be held on the 15th day of September 2018 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, 2018
2	Declaration of Dividend on Equity Shares
3	Re-appointment of Mr. Neil Patel, retiring by rotation and being eligible, offering himself for re-appointment
4	Appointment of Ms. Aradhana Singh as an Independent Woman Director
5	Approve Related Party Transaction

Signed this _____day of _____ 2018

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

Klenz™ Pro

used by professionals

100% ECO-FRIENDLY	High concentrated bio-degradable products Reduced use of raw materials and packaging Reduced use of energy on the production process 75% less CO_2 emissions during transport No plastic packaging (water soluble pouches) and carton casing
APPLICATION COST CONTROL	Precise control over product consumption, same dosage every time No more waste management costs
OCCUPATIONAL RISKS MANAGEMENT	Safe handling, no direct contact with chemical product 85% reduction on loading weight Easier and more convenient (pouch dissolves in water) Dosing system not required
REDUCES 85% STORAGE ROOM AND TRANSPORT	Reduced volume thanks to its high Concentration formula

Production Unit (Ankleshwar)

ARROW
GREENTECH LTD.

Corporate Office :
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