

**32<sup>ND</sup>**

# **ANNUAL REPORT 2023-24**

**ARCL ORGANICS LIMITED**



**RESIN MEANS ALLIED RESINS**



## BOARD OF DIRECTORS

**Mr. Suraj Ratan Mundhra**  
Chairman & Managing Director

**Mr. Rajesh Mundhra**  
Executive Director

**Mr. Mukesh Mundhra**  
Executive Director

**Mr. Brij Mohan Mohta**  
Non-Executive –  
Independent Director

**Mrs. Stuti Pithisaria**  
Non-Executive –  
Independent Director

**Mr. Prateek Chaudhary**  
Non-Executive –  
Independent Director

## CHIEF FINANCIAL OFFICER

**Mr. Navneet Bagri**

## STATUTORY AUDITORS

**M/s LB Jha & Associates**  
Chartered Accountants

## COMPANY SECRETARY

**Mr. Subhankar Paul**

## SECRETARIAL AUDITOR

**KSN & Company**  
Practicing Company Secretaries

## AUDIT COMMITTEE

**Suraj Ratan Mundhra**  
Executive Director

**Mrs. Stuti Pithisaria**  
Non – Executive – Independent Director

**Mr. Prateek Chaudhary**  
Non-Executive – Independent Director

**Mr. Brij Mohan Mohta**  
Non-Executive – Independent Director

## STAKEHOLDERS RELATIONSHIP COMMITTEE

**Mr. Brij Mohan Mohta**  
Non-Executive –  
Independent Director

**Mrs. Stuti Pithisaria**  
Non-Executive –  
Independent Director

**Mr. Prateek Chaudhary**  
Non-Executive –  
Independent Director

## INTERNAL AUDITOR

**MIB & Co**  
Chartered Accountants

## INTERNAL AUDITOR

**Registrar**  
Link Intime India Private Limited

## NOMINATION AND REMUNERATION COMMITTEE

**Mr. Brij Mohan Mohta**  
Non-Executive –  
Independent Director

**Mrs. Stuti Pithisaria**  
Non-Executive –  
Independent Director

**Mr. Prateek Chaudhary**  
Non-Executive –  
Independent Director

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

**Mr. Brij Mohan Mohta**  
Non-Executive –  
Independent Director

**Mrs. Stuti Pithisaria**  
Non-Executive –  
Independent Director

**Mr. Prateek Chaudhary**  
Non-Executive –  
Independent Director

## REGISTERED & FACTORY ADDRESS

Rampur P. S. Maheshtala  
Budge Budge Trunk Road  
Kolkata - 700141

## COST AUDITOR

**Amit Khetan & Co**  
Cost Accountant

## SOLICITORS

**Biswal & Co**  
**Sandip Dutta & Co**

Dear Esteemed **Shareholders**,

I am pleased to present to you the 32nd Annual Report for the fiscal year 2023-24. Finally, your company's shares got listed on 29th September 2023 and long-expected trading started to help the minority shareholders.

The good news is that after a gap of 10 years, your company again started importing methanol at Calcutta port, thus saving huge transportation costs from Kandla and Vizag. I am pleased to inform you that we have entered into a technical collaboration agreement with a 70-year-old, speciality chemical company in USA - Willamette Valley Corporation (WVCO). It will strength up in our price to cater to Plywood industry. We have also entered into an MoU with Haldia Petrochemicals Limited for yearly off-take of 1,00,000 MTPA of Phenol from their upcoming phenol project of 3,00,000 MTPA in 2026. This will be an export-oriented project based at Haldia, thus making your company the largest Phenolic Resin manufacturer not only in India, but among top 10 in the World.

For speciality chemicals, company like yours - R&D is the backbone. Luckily, this year we have successfully re-reinforced our R&D with an excellent new team. Already, we have developed a few products in the construction industry and coatings and paints. We have already got institutional approvals and expecting very bright prospects.

Keeping pace with the growing ESG awareness and commitment your Company is very seriously working on this front. The company's efforts on sustainability, safety and CSR are becoming stronger. Zero-liquid discharge project is very much in offing, thus solving pollution challenges in long-term basis.

Your company is spreading its wings successfully beyond traditional plywood industry to feed, abrasives, automotive components, construction chemicals, refractories, foundry industry, paints and agro chemicals.

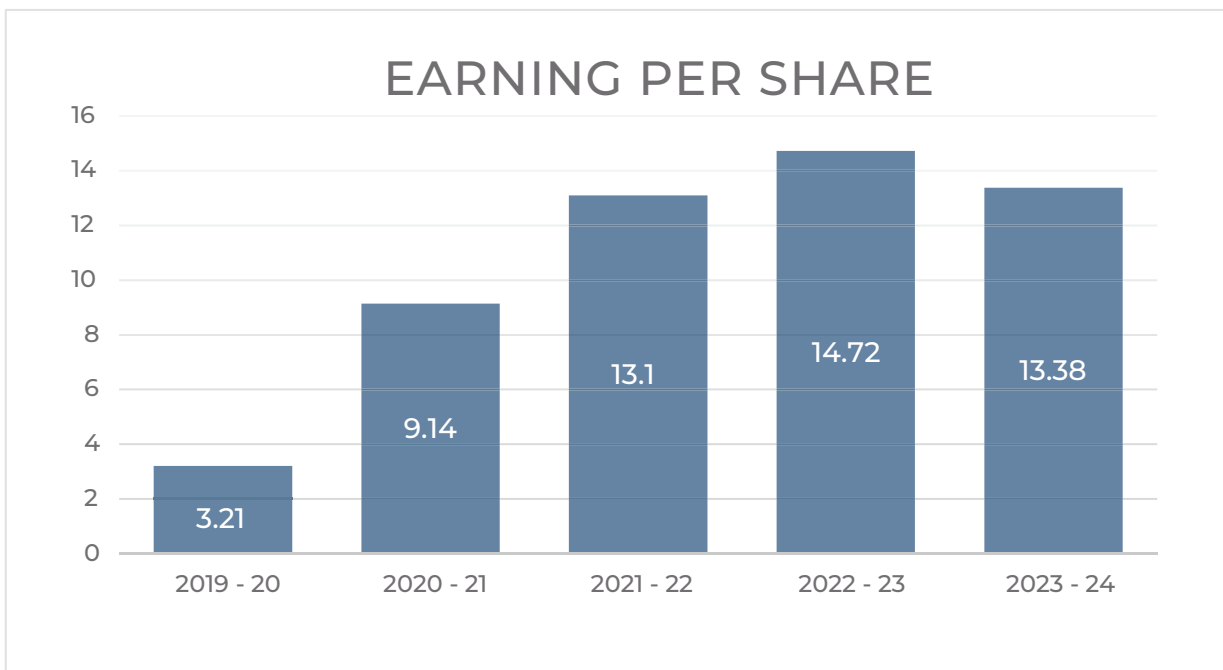
Last year there was a little dip in exports due to political situations in Europe, Africa and Middle east. Luckily, we have overcome all the challenges and hope to do better than earlier.

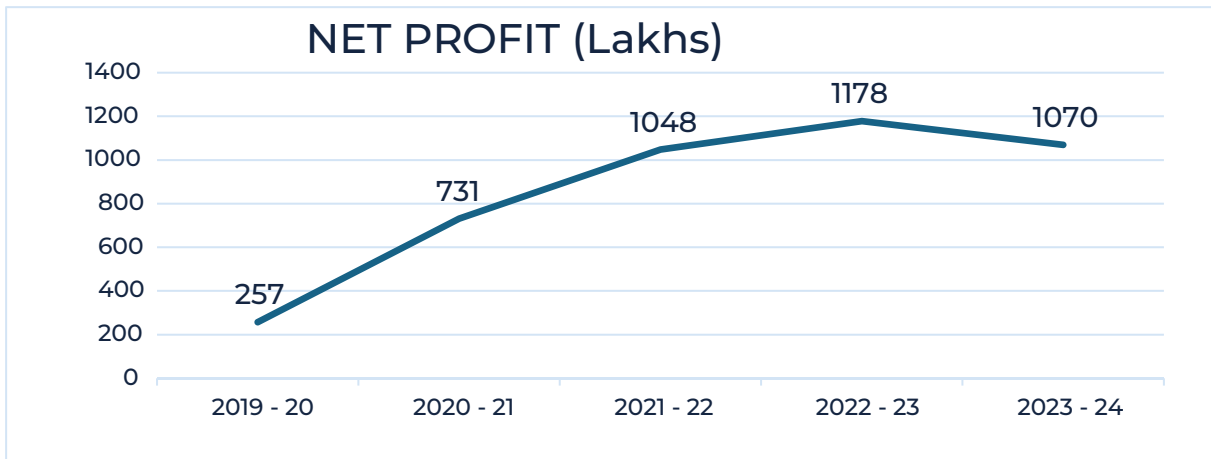
Lastly, I would like to thank our shareholders, investors, lenders, suppliers, customers, board members, as well as employees and other stakeholders for their continued support and patronage of their company. The future looks bright for all of us and together we will embark on a journey of continued growth and value-creation.



**Mr. Suraj Ratan Mundhra**

Chairman &  
Managing Director





NEW FORMALDEHYDE PLANT







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**ARCL ORGANICS LIMITED**  
CIN: U24121WB1992PLC056562  
Regd Office: Rampur, PS Maheshtala, Kolkata – 700 141  
Tel No. 033-2401-8042,  
E-mail: [legal@arcl.in](mailto:legal@arcl.in) Website: <https://arclorganics.com>

### **NOTICE TO THE SHAREHOLDERS**

**NOTICE** is hereby given that the 32nd Annual General Meeting (AGM) of the members of ARCL ORGANICS LIMITED will be held on Friday 21<sup>st</sup> June 2024, at 3:30 PM through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

#### **ORDINARY BUSINESS:**

##### **ITEM NO. 1- Adoption of Financial Statements**

To receive, consider and adopt:

- a. The Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2024 and the Reports of the Auditors thereon; and
- b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2024 and the Report of the Auditors thereon.

##### **ITEM NO. 2- Reappointment of retiring Director**

To appoint a director in place of Mr. Mukesh Mundhra (DIN No. 00658602), who retires by rotation and being eligible, offers himself for re-appointment.

#### **SPECIAL BUSINESS:**

##### **ITEM NO. 3 - Continuation of Directorship of Mr. Brij Mohan Mohta as an Independent, Non-Executive Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, the consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. Brij Mohan Mohta (DIN No.00923562) who was appointed as an Independent Director of the Company for a period of 5 years i.e from 04<sup>th</sup> September, 2023 till 03<sup>rd</sup> September, 2028 by ordinary Resolution and who will attain the age of 75 years on 08.08.2024, for the remaining period of his existing term of Directorship as an Independent Director of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized severally to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

##### **ITEM NO. 4 – To approve the increase in remuneration of Mr. Suraj Ratan Mundhra, Chairman and Managing Director**

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

“**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 198, 201 and other applicable provisions, if any, of the companies act 2013, and companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including rules, notifications, any statutory modifications, amendments or re enactments thereof for the time being in force and as may be enacted from time to time) read with schedule

V of the said act, and any such other approval, permission may be required and subject to the provisions of article of association of the company, approvals of members be and is hereby accorded to the revision in the remuneration of Mr. Suraj Ratan Mundhra (DIN: 00681223), Chairman and Managing director of the Company on following terms and conditions effective from 01.04.2024 for his remaining period of schedule:

Salary & Perquisites:

- 1 Basic Salary: Rs. 60,000/- per month
- 2 House Rent Allowance of Rs. 80,000/- per month
- 3 All Other Allowances of Rs. 2,60,000/- per month
- 4 Reimbursement of actual club expenses for furtherance of business.
- 5 Car, telephone, mobile, Laptop shall be provided, and their expenses shall be borne by Company.
- 6 Other benefits like Gratuity, PF, Leave etc. as applicable to the employees of the Company.

Other Terms and Conditions:

- In case of No Profit or inadequate profit also the minimum salary of Rs. 4,00,000 per month will be given to Chairman and Managing Director according to provisions of Schedule V of the Act, 2013.
- The appointment may be terminated by either party by giving three months' notice of such termination or by mutual consent.
- He will be counted in directors liable to retire by rotation for the compliance of section 152 of Companies act 2013 by the company.

**“FURTHER RESOLVED THAT** any of the Directors or the Company Secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt in this regard.”

**ITEM NO. 5 – To approve the increase in remuneration of Mr. Rajesh Mundhra, Whole Time Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of sections 196, 197, 198, 201 and other applicable provisions, if any, of the companies act 2013, and companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including rules, notifications, any statutory modifications, amendments or re-enactments thereof for the time being in force and as may be enacted from time to time) read with schedule V of the said act, and any such other approval, permission may be required and subject to the provisions of article of association of the company, approvals of members be and is hereby accorded to the revision in the remuneration of Mr. Rajesh Mundhra (DIN:00658649), Whole time director of the Company on following terms and conditions effective from 01.04.2024 for his remaining period of schedule:

Salary & Perquisites:

- 1 Basic Salary: Rs. 60,000/- per month
- 2 House Rent Allowance of Rs. 80,000/- per month
- 3 All Other Allowances of Rs. 2,60,000/- per month
- 4 Reimbursement of actual club expenses for furtherance of business.
- 5 Car, telephone, mobile, Laptop shall be provided, and their expenses shall be borne by the Company.
- 6 Other benefits like Gratuity, PF, Leave etc. as applicable to the employees of the Company.

Other Terms and Conditions:

- In case of No Profit or inadequate profit also the minimum salary of Rs. 4,00,000 per month will be given to Whole time director according to provisions of Schedule V of the Act, 2013.
- The appointment may be terminated by either party by giving three months' notice of such termination or by mutual consent.
- He will be counted in directors liable to retire by rotation for the compliance of section 152 of Companies act 2013 by the company.

**“FURTHER RESOLVED THAT** any of the Directors or the Company secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt in this regard.

**ITEM NO. 6 To approve the increase in remuneration of Mr. Mukesh Mundhra, Whole Time Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 198, 201 and other applicable provisions, if any, of the companies act 2013, and companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including rules, notifications, any statutory modifications, amendments or re-enactments thereof for the time being in force and as may be enacted from time to time) read with schedule V of the said act, and any such other approval, permission may be required and subject to the provisions of article of association of the company, approvals of members be and is hereby accorded to the revision in the remuneration of Mr. Mukesh Mundhra (DIN: 00658602), Whole time director of the company on following terms and conditions effective from 01.04.2024 for his remaining period of schedule:

Salary & Perquisites:

- 1 Basic Salary: Rs. 60,000/- per month
- 2 House Rent Allowance of Rs. 80,000/- per month
- 3 All Other Allowances of Rs. 2,60,000/- per month
- 4 Reimbursement of actual club expenses for furtherance of business.
- 5 Car, telephone, mobile, laptop shall be provided, and their expenses shall be borne by Company.
- 6 Other benefits like Gratuity, PF, Leave etc. as applicable to the employees of the Company.

Other Terms and Conditions:

- In case of No Profit or inadequate profit also the minimum salary of Rs. 4,00,000 per month will be given to Whole time Director according to provisions of Schedule V of the Act, 2013.
- The appointment may be terminated by either party by giving three months' notice of such termination or by mutual consent.
- He will be counted in directors liable to retire by rotation for the compliance of section 152 of Companies act 2013 by the company.

“**FURTHER RESOLVED THAT** any of the directors and the company secretary of the company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt in this regard.”

**ITEM NO. 7 Ratification of Cost Auditor's remuneration for the Financial Year 2024 – 2025**

To ratify the remuneration of Cost Auditors for the financial year 2024 – 2025 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 Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the remuneration of Rs. 40,000/- as approved by the Board of Directors to be paid to M/s. Amit Khetan & Co (Firm Registration No. FRN-102559), the cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2024 – 2025 be and is hereby ratified.”

**By the order of the Board  
For ARCL Organics Limited**

**Subhankar Paul  
Company Secretary and Compliance Officer  
ACS - 63772**

**Regd. Office:  
Rampur, PS Maheshtala, Kolkata – 700141  
Date: 26.04.2024**

**NOTES:**

1. An Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. In view of the Ease of doing business, pursuant to the Circular No. 20/2020 dated May 05, 2020, and Circular No. 2/2022 dated May 05, 2022 and Circular No. 10/2022 dated 28.12.2022 and Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and all other relevant circulars issued from time to time. The 32<sup>nd</sup> AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 32<sup>nd</sup> AGM shall be the Corporate Office of the Company situated at Rampur, P.S. Maheshtala, Kolkata – 700141. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the Meeting through VC/OAVM is annexed herewith.
3. Notice of 32<sup>nd</sup> AGM and financial statements (including Board’s report, Auditor’s report or other documents required to be attached therewith) for FY 2023-24, are being sent only through email to all members on their registered email id with the Company and no physical copy of the same would be dispatched.
4. The Company has engaged the services of Link Intime India Private Limited (“LI IPL”) for providing facility for voting through remote e-voting, participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained below.
5. The registered office of the company shall be deemed to be the place of meeting for the purpose of recording of the minutes of the proceedings of this AGM.
6. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Members who have multiple accounts in identical names or joint accounts in the same order are requested to consolidate all such shareholdings into one account to facilitate better service.
9. **Procedure for Registration of email ids and Bank Account details:**

In case the shareholder’s email ID is already registered with the Company/its Registrar & Share Transfer Agent “RTA”/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories the following instructions are to be followed:

**(i) For shares held in physical mode:**

a) Advise any change in their address or bank mandates to the Company/Company’s Registrar and Transfer Agent, Link Intime India Private Limited. The notification of change of address should be accompanied by the address proof, i.e., voter’s identity card, electric/telephone bill, driving licence or a copy of the passport or bank statement of the member. OR

b) Log into the website of our RTA, Link Intime India Private Ltd., at [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration. Fill in the details and upload the required documents and submit.

**(ii) For Shares held in Demat mode:**

The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the Demat account as per the process followed and advised by the DP.

Members are requested to quote their account / folio number and in case their shares are held in dematerialized form, they must quote their Client ID Number and DP ID Number.

10. Any member desirous of receiving any information of Financial Statements or operations of the Company is requested to forward his/her queries through email, at least 10 working days prior to AGM, so that required information can be made available at the AGM.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from 15<sup>th</sup> June, 2024 to 21<sup>st</sup> June, 2024 (both days inclusive).
12. To support the 'Green Initiative', the Members are requested to register their email addresses with the Registrar and Share Transfer Agents of the Company to or mail at [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in) or with the Depositories for receiving all communication, including Annual Report, Notices and Documents through e-mail instead of physical copy.
13. Members who have multiple accounts in identical names or joint accounts in the same order are requested to consolidate all such shareholdings into one account to facilitate better service.
14. Non-resident Indian Members are requested to inform Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, immediately of a) Change of their residential status on return to India for permanent settlement. b) Particulars of their bank account maintained in India with Complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. Mr. Nand Kishore Sharma, Practicing Company Secretary in practice, 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. 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. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of Insta Vote of LIPL immediately after the declaration of result by the Chairman or a person authorized by him in writing.
16. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
17. Investor Grievance Redressal: Company has an exclusive e-mail id, viz. [legal@arcl.in](mailto:legal@arcl.in) for investors to register their grievances if any.

**Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. The instructions and guidelines for joining meeting the VC OAVM facility and voting is separately annexed with the notice of AGM.**

**The remote e-voting period commences at 9:00 a.m. (IST) on Tuesday 18<sup>th</sup> June, 2024 and ends at 5:00 p.m. (IST) on Thursday 20<sup>th</sup> June, 2024. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**

**By the order of the Board**

**Subhankar Paul**  
**Company Secretary and Compliance Officer**  
**ACS - 63772**

**Date: 26.04.2024**  
**Place: Kolkata**

**EXPLANATORY STATEMENT IN RESPECT OF ITEMS OF SPECIAL BUSINESS  
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO. 3**

**Continuation of the employment of Mr. Brij Mohan Mohta as a Non-Executive Independent Director upon attaining the age of 75 years during the 1<sup>st</sup> term of his appointment:**

“As per the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, inter-alia provides that No listed company shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy-five years unless a Special Resolution is passed to that effect.” Mr. Brij Mohan Mohta will attain the age of 75 years on 08.08.2024 and hence continuation beyond 75 years requires the approval of members by way of Special Resolution.

As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their meeting held on 26<sup>th</sup> April 2024 subject to approval of the Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies Appointment and Qualification of Directors) Rules, 2014 and the applicable provision of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, 45 years of rich experience in Textile manufacturing, knowledge, contributions, continued valuable guidance to the management during his tenure and outcome of performance evaluation of the Independent Directors, requisite approval from the shareholders is sought for. Further Mr. Brij Mohan Mohta shall not be liable to retire by rotation as provided under section 152(6) of the Companies Act, 2013.

The Board considers that his continued association would be of immense benefit to the Company, and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing the Special Resolution as set out in this item of the Notice for re appointment of Mr. Brij Mohan Mohta.

Further, subject to the consent of the members, Mr. Brij Mohan Mohta shall stand eligible for holding chairmanship/ Membership and considered inducted in the respective committees of the Company in which he was/is a chairman/Member before his reappointment.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standards – 2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in any way deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 3 of the Notice.

**ITEM NO. 4**

**APPROVAL OF INCREASE IN REMUNERATION OF MR. SURAJ RATAN MUNDHRA, CHAIRMAN AND MANAGING DIRECTOR**

The Board on the recommendation of Nomination and Remuneration Committee and considering the contribution of Mr. Suraj Ratan Mundhra and the progress made by the Company under his leadership and guidance, the board, at its meeting dated 26.04.2024 approved the revision in the remuneration based on terms and conditions enumerated in the resolution.

“Pursuant to the provisions of Schedule V to the Companies Act, in case of no profits or inadequate profits during the tenure of appointment of managerial personnel (i.e. Managing Director, Whole-time Director or Manager), remuneration shall be paid as per the applicable slab prescribed based on the ‘Effective Capital’ of the Company. Provided that, remuneration in excess of the permissible slab may be paid, if shareholders pass a special resolution.”

Pursuant to the applicable provisions of the companies act 2013 and the relevant rules made thereunder, consent of the members is being sought by way of a special resolution.

The Board recommends the passing of special resolution for the approval of the members. Other than Mr. Rajesh Mundhra and Mukesh Mundhra, none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise in the above Resolutions.

Pursuant to the recommendations of Nomination and Remuneration Committee, your directors recommend the Resolution set out in Item No. 1 as a Special Resolution for approval of the Members.

The details of remuneration payable to Mr. Suraj Ratan Mundhra despite inadequacy or absence of profits is as provided in “**Annexure A**”.

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No.4 is provided under “**Annexure A**”.

#### **ITEM NO. 5**

#### **APPROVAL OF INCREASE IN REMUNERATION OF MR. RAJESH MUNDHRA, WHOLE TIME DIRECTOR**

The Board on the recommendation of Nomination and Remuneration Committee and considering the contributions of Mr. Rajesh Mundhra and the progress made by the Company under his leadership and guidance, the board, at its meeting dated 26.04.2024 approved the revision in the remuneration based on terms and conditions enumerated in the resolution.

“Pursuant to the provisions of Schedule V to the Companies Act, in case of no profits or inadequate profits during the tenure of appointment of managerial personnel (i.e. Managing Director, Whole-time Director or Manager), remuneration shall be paid as per the applicable slab prescribed based on the ‘Effective Capital’ of the Company. Provided that, remuneration in excess of the permissible slab may be paid, if shareholders pass a special resolution.”

Pursuant to the applicable provisions of the companies act 2013 and the relevant rules made thereunder, consent of the members is being sought by way of a special resolution.

The Board recommends the passing of special resolution for the approval of the members. Other than Mr. Suraj Ratan Mundhra and Mukesh Mundhra, none of the Directors, Key Managerial Personnel of the Company, and their relatives, are concerned or interested, financially or otherwise in the above Resolutions.

Pursuant to the recommendations of Nomination and Remuneration Committee, your directors recommend the Resolution set out in Item No. 2 as a Special Resolution for approval of the Members.

The details of remuneration payable to Mr. Rajesh Mundhra despite inadequacy or absence of profits is as provided in “**Annexure A**”.

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 5 is provided under “**Annexure A**”.

#### **ITEM NO. 6**

#### **APPROVAL OF INCREASE IN REMUNERATION OF MR. MUKESH MUNDHRA, WHOLE TIME DIRECTOR**

The Board of Directors, vide its resolution dated 26.04.2024, has approved the reappointment of Mr. Mukesh Mundhra as the whole Time Director of the Company, liable to retire by rotation, and recommended his reappointment to the Members of the Company in 32<sup>nd</sup> Annual General Meeting of the Company by way of an ordinary resolution, as per the specified terms and conditions.

Further considering the contribution of Mr. Mukesh Mundhra and the progress made by the Company under his leadership and guidance, the board at its meeting dated 26.04.2024 approved the revision in the remuneration based on the terms and conditions enumerated in the resolution.

“Pursuant to the provisions of Schedule V to the Companies Act, in case of no profits or inadequate profits during the tenure of appointment of managerial personnel (i.e. Managing Director, Whole-time Director or



Manager), remuneration shall be paid as per the applicable slab prescribed based on the 'Effective Capital' of the Company. Provided that, remuneration in excess of the permissible slab may be paid, if shareholders pass a special resolution."

Pursuant to the applicable provisions of the companies act 2013 and the relevant rules made thereunder, consent of the members is being sought by way of a special resolution.

The Board recommends the passing of special resolution for the approval of the members. Other than Mr. Suraj Ratan Mundhra and Rajesh Mundhra, none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise in the above Resolutions.

Pursuant to the recommendations of Nomination and Remuneration Committee, your directors recommend the Resolution set out in Item No. 3 as a Special Resolution for approval of the Members.

The details of remuneration payable to Mr. Mukesh Mundhra despite inadequacy or absence of profits is as provided in "**Annexure A**".

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 6 is provided under "**Annexure A**".

#### **ITEM NO. 7**

The Board, on the recommendation of the audit committee, has approved the appointment and remuneration of Rs. 40,000/- payable to M/s Amit Ketan & Co., cost Auditors to conduct the audit of the cost records of the Company for the financial year 2024-25.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year 2024-25 by passing an Ordinary Resolution set out at item No. 7 of the Notice.

None of the Directors / Key Managerial Personnel of the company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice. The Board commends the ordinary Resolution set out at item No. 7 of the Notice for approval by the members.

**By the order of the Board**

**Subhankar Paul**  
**Company Secretary and Compliance Officer**  
**ACS - 63772**

**Date: 26.04.2024**  
**Place: Kolkata**

**Related Information of Directors seeking appointment or re-appointment or continuation of employment at the forthcoming Annual General Meeting.**

(In pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standards)

<b>01.</b>	<b>Name of the Director</b>	Mr. Brij Mohan Mohta
<b>02.</b>	<b>Age (in years)</b>	74
<b>03.</b>	<b>Qualification</b>	Mr. Brij Mohan Mohta is a qualified engineer and has 45 years' experience in Textile Manufacturing, presently carrying on trading business in textile fabric having a vast knowledge of manufacturing and trading business.
<b>04.</b>	<b>Date of First Appointment on Board</b>	04.09.2023
<b>05.</b>	<b>Expertise in Specific Functional areas</b>	Mr. Mohta's stature in the realm of textile and allied products is truly remarkable. With over 40 years of hands-on experience in the textile industry, he has honed his skills and insights to a level that few can match. Throughout his career, he has not only witnessed the evolution of the textile sector but has actively played a pivotal role in shaping its trajectory. As the Senior Director at Bengal Integrated Textile Park Limited, Mr. Mohta holds a key position in one of the industry's pioneering organizations. This role underscores his profound influence on the textile landscape, where he contributes to the development and execution of strategic initiatives that have far-reaching impacts. Mr. Mohta's journey in the textile and allied products sector is marked by decades of experience, a strategic leadership role, visionary thinking, and a proven ability to execute plans and innovations. His influence in the industry is not just substantial; it is transformational, leaving an indelible mark on the textile landscape.
<b>06.</b>	<b>Remuneration last drawn</b>	N. A.
<b>07.</b>	<b>Shareholding in the Company</b>	NIL
<b>08.</b>	<b>Relationship with other Directors/KMP</b>	N. A.
<b>09.</b>	<b>Directorship held in other Companies with Chairmanship/ Membership in Committee</b>	04
<b>10.</b>	<b>Chairman/ Member of the Committee in which he is a director apart from this Company.</b>	-

**“Annexure – A”**

**Statement containing additional information as required in Schedule V of the Companies Act, 2013 – Mr. Suraj Ratan Mundhra (Item No. 4 of Notice)**

**1. General Information**

<b>i.</b>	<b>Nature of Industry</b>	Manufacturing of Chemicals
<b>ii.</b>	<b>Date or expected date of commencement of commercial production.</b>	Existing Company in operation since 1992
<b>iii.</b>	<b>In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.</b>	Not Applicable
<b>iv.</b>	<b>Financial performance based on given indicators.</b>	In the financial year 2023 – 2024, the Company made a turnover of INR 190 crore and Profit of INR 10.65 crore after tax.
<b>v.</b>	<b>Foreign investments or collaborations, if any.</b>	Not Applicable

**2. Information about the Appointee:**

<b>i.</b>	<b>Background details</b>	He has more than half a century of experience in chemical industry more fully described in corporate governance report.
<b>ii.</b>	<b>Past Remuneration</b>	Rs. 2,00,000 per month
<b>iii.</b>	<b>Recognition or Awards</b>	Refer Company’s website <a href="http://www.arclorganics.com">www.arclorganics.com</a>
<b>iv.</b>	<b>Job profile and his suitability</b>	He is the Executive Chairman of the Company and looks after the whole operations and is the final decision maker of the Company.
<b>v.</b>	<b>Remuneration Proposed</b>	<b>Rs. 4,00,000 per month</b>
<b>vi.</b>	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.</b>	The remuneration of Mr. Suraj Ratan Mundhra is comparable to that drawn by the peers in a similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
<b>vii.</b>	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any</b>	Mr. Suraj Ratan Mundhra is not related to any of the directors and Key Managerial Personnel other than Mr. Rajesh Mundhra and Mukesh Mundhra.

### 3. Other information:

<b>i.</b>	<b>Reasons of loss or inadequate profits</b>	Due to political instability in Africa, Europe which has impacted the exports of the Company and hence inadequate profits were observed for this financial year.
<b>ii.</b>	<b>Steps taken or proposed to be taken for improvement.</b>	The Company is shifting to capture new markets so that full dependency on Africa and Europe for exports will not be there.
<b>iii.</b>	<b>Expected increase in productivity and profits in measurable terms.</b>	The Company is expected to double its profit in the next financial year.

Statement containing additional information as required in Schedule V of the Companies Act, 2013 – Mr. Rajesh Mundhra (Item No. 5 of Notice)

#### 1. General Information

<b>i.</b>	<b>Nature of Industry</b>	Manufacturing of Chemicals
<b>ii.</b>	<b>Date or expected date of commencement of commercial production.</b>	Existing Company in operation since 1992
<b>iii.</b>	<b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.</b>	Not Applicable
<b>iv.</b>	<b>Financial performance based on given indicators.</b>	In the financial year 2023 – 2024, the Company made a turnover of INR 190 crore and Profit of INR 10.65 crore after tax.
<b>v.</b>	<b>Foreign investments or collaborations, if any.</b>	Not Applicable

#### 2. Information about the Appointee:

<b>i.</b>	<b>Background details</b>	He has more than two decades of experience in chemical industry more other qualification are fully described in corporate governance report.
<b>ii.</b>	<b>Past Remuneration</b>	Rs. 2,00,000 per month
<b>iii.</b>	<b>Recognition or Awards</b>	Refer Company's website <a href="http://www.arclorganics.com">www.arclorganics.com</a>
<b>iv.</b>	<b>Job profile and his suitability</b>	He is the Executive Director of the Company and looks after the whole of factory operations in the Company.
<b>v.</b>	<b>Remuneration Proposed</b>	<b>Rs. 4,00,000 per month</b>
<b>vi.</b>	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.</b>	The remuneration of Mr. Rajesh Mundhra is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.

<b>vii.</b>	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any</b>	Mr. Rajesh Mundhra is not related to any of the directors and Key Managerial Personnel other than Mr. Suraj Ratan Mundhra and Mukesh Mundhra.
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### 3. Other information:

<b>i.</b>	<b>Reasons of loss or inadequate profits</b>	Due to political instability in Africa, Europe which has impacted the exports of the Company and hence inadequate profits were observed for this financial year.
<b>ii.</b>	<b>Steps taken or proposed to be taken for improvement.</b>	The Company is shifting to capture new markets so that full dependency on Africa and Europe for exports will not be there.
<b>iii.</b>	<b>Expected increase in productivity and profits in measurable terms.</b>	The Company is expected to double its profit in the next financial year.

### Statement containing additional information as required in Schedule V of the Companies Act, 2013 – Mr. Mukesh Mundhra (Item No. 6 of Notice)

#### 1. General Information

<b>i.</b>	<b>Nature of Industry</b>	Manufacturing of Chemicals
<b>ii.</b>	<b>Date or expected date of commencement of commercial production.</b>	Existing Company in operation since 1992
<b>iii.</b>	<b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.</b>	Not Applicable
<b>iv.</b>	<b>Financial performance based on given indicators.</b>	In the financial year 2023 – 2024, the Company made a turnover of INR 190 crore and Profit of INR 10 crore after tax.
<b>v.</b>	<b>Foreign investments or collaborations, if any.</b>	Not Applicable

#### 2. Information about the Appointee:

<b>i.</b>	<b>Background details</b>	He has more than two decades of experience in chemical industry more other qualification are fully described in corporate governance report.
<b>ii.</b>	<b>Past Remuneration</b>	Rs. 2,00,000 per month
<b>iii.</b>	<b>Recognition or Awards</b>	Refer Company's website <a href="http://www.arclorganics.com">www.arclorganics.com</a>
<b>iv.</b>	<b>Job profile and his suitability</b>	He is the Executive Director of the Company and looks after the whole of marketing operations in the Company.
<b>v.</b>	<b>Remuneration Proposed</b>	<b>Rs. 4,00,000 per month</b>

vi.	<b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.</b>	The remuneration of Mr. Mukesh Mundhra is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
vii.	<b>Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any</b>	Mr. Mukesh Mundhra is not related to any of the directors and Key Managerial Personnel other than Mr. Suraj Ratan Mundhra and Rajesh Mundhra.

### 3. Other information:

i.	<b>Reasons of loss or inadequate profits</b>	Due to political instability in Africa, Europe which has impacted the exports of the Company and hence inadequate profits were observed for this financial year.
ii.	<b>Steps taken or proposed to be taken for improvement.</b>	The Company is shifting to capture new markets so that full dependency on Africa and Europe for exports will not be there.
iii.	<b>Expected increase in productivity and profits in measurable terms.</b>	The Company is expected to double its profit in the next financial year.

**By the order of the Board**

**Subhankar Paul**  
**Company Secretary and Compliance Officer**  
 ACS - 63772

**Date: 26.04.2024**

**Place: Kolkata**

**Process and manner for attending the Annual General Meeting through Instameet:**

1. Open the Internet Browser and launch the URL: <https://instameet.linkintime.co.in>  
Select the “Company” and ‘Event date’ and register with your following details:-
  - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.  
Shareholders/members holding shares in CDSL Demat Account shall provide 16-digit Beneficiary ID  
Shareholders/members holding shares in NSDL Demat Account shall provide 8 character DP ID followed by 8-digit Client ID  
Shareholders/members holding shares in physical form shall provide Folio no. registered with the Company.
  - B. PAN: Enter your 10-digit permanent Account Number (PAN) (Members who have not updated their PAN with depository participant (DP)/Company shall use the sequence number provided to you, if applicable.
  - C. Mobile No.: Enter your mobile number.
  - D. Email ID: Enter your email id, as recorded with your DP/Company.  
Click “Go to Meeting” (you are now registered for InstaMeet and your attendance is marked for the meeting).

**Instructions for shareholders/members to speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific mail id created for the general meeting.
2. Shareholders will get confirmation on first cum basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholders may ask questions to the panelist, via active chat board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/management will announce the name and the serial number for speaking.

**Instructions for shareholders/members to vote during the Annual general meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ Members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the shareholder’s VC page, click on the link for e-voting “Cast your vote”.
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered Mobile number/ registered email id) received during the registration for InstaMeet and click on ‘submit’.
3. After successful login, you will see “Resolution Description” and against the same option “Favour/Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of the shares (which represents no. of votes) as on the cut-off date under “Favour/Against”.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “save”. A confirmation box will be displayed if you wish to confirm your vote, click on “Confirm”, else change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through

InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the meeting through Tablets/Laptops connected through broadband for better experience.

Shareholders/members are required to use the internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that shareholders/Members connecting from Mobile Device or Tablets or through Laptops connecting via mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-fi or LAN network to mitigate any kind of aforesaid glitches.

In case shareholders/members have any queries regarding login/e-voting, they may send an email to instameet @ linkintime.co.in or contact on Tel: 022-49186175.

### **Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

1. Individual Shareholders holding securities in demat mode with NSDL
  1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
  2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
  3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
  1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
  2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining



virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.

3. If the user is not registered for Easi/Easiest, the option to register is available at CDSL website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

3. Individual Shareholders (holding securities in demat mode) login through their depository participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

**A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

*\*Shareholders holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

*\*Shareholders holding shares in **NSDL form**, shall provide ‘D’ above*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click “confirm” (Your password is now generated).

3. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select **‘View’** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **‘Favour / Against’** (If you wish to view the entire Resolution details, click on the **‘View Resolution’** file link).
4. After selecting the desired option i.e. Favour / Against, click on **‘Submit’**. A confirmation box will be displayed. If you wish to confirm your vote, click on **‘Yes’**, else to change your vote, click on ‘No’ and accordingly modify your vote.

**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as **‘Custodian / Mutual Fund / Corporate Body’**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **‘Custodian / Mutual Fund / Corporate Body’** login for the Scrutinizer to verify the same.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on **‘Login’** under **‘SHARE HOLDER’** tab and further Click **‘forgot password?’**
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants' website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

## DIRECTORS' REPORT

Your directors have the pleasure of presenting the thirty-second annual report of your Company together with the audited financial statements for the financial year ended 31<sup>st</sup> March 2024.

### 1. a. FINANCIAL SUMMARY OR HIGHLIGHTS OR PERFORMANCE OF THE COMPANY

Particulars	Standalone		Consolidated	
	<u>2023-24 (In Lakhs)</u>	<u>2022-23 (In Lakhs)</u>	<u>2023-24 (In Lakhs)</u>	<u>2022-23 (In Lakhs)</u>
Total Income	19,342.00	16,849.27	19,342.00	16,849.00
Profit before Deprecation, Finance Cost, Tax and Exceptional items	2,226.28	2,140.60	2,201.20	2,130.38
Depreciation and amortization expenses	429.13	266.66	429.13	266.66
Finance cost	415.50	193.88	307.03	193.90
Exceptional Items	NIL	NIL	NIL	NIL
Profit before Tax	1,381.25	1,680.06	1,465.04	1,669.82
Less: Tax expenses	311.08	502.43	335.04	502.43
Profit for the year	1,070.17	1,177.63	1,130.00	1,167.39
Other comprehensive income for the year	(4.66)	2.87	(4.66)	2.87
Total comprehensive income for the year	1,065.51	1,180.50	1,125.33	1,170.26

**b. DIVIDEND**

Your directors do not recommend payment of dividends on equity shares.

**c. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of The Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

**d. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT**

No such material changes occurred which affected the financial position of the company.

**e. SHARE CAPITAL**

The paid-up capital of the company as of 31st March 2024 was INR 8 Crore. During the year under review the Company has not altered its share capital, consequently, there has been no change in the capital structure since previous year.

**f. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

As per the rule of the Companies Act, 2013 CSR is applicable on our company, and the Company has made an annual CSR contribution of Rs. 20 Lakhs to Shree Shraddha Educational & Charitable trust and Shree shiv Shakti Seva trust for promotion of Education in the country and Rural Construction at Ganga Sagar and to Hari Om Trust respectively.

**2. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis of financial condition and of operations of the Company for the year under review as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is given in the part on Corporate Governance elsewhere in the Annual Report marked as “**Annexure A**”.

**3. FINANCE****3.1. PUBLIC DEPOSIT**

The Company has not accepted any deposit falling within the ambit of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

### **3.2. PARTICULARS OF LOAN AND INVESTMENT AND GUARANTEE SECURITY**

The company has not given any loan under this section except making investments in, giving loans and guarantees to and providing securities in connection with loans to its wholly owned subsidiaries from time to time, in compliance with the applicable provisions of the Act.

### **4. INTERNAL FINANCIAL CONTROL**

The Company has laid down guidelines which enable the implementation of appropriate internal financial controls. These include controls in manual or automated IT applications including the ERP applications wherein the transactions are approved and recorded. These systems are designed keeping in view the nature of activities carried out at each location and various business operations. The Company has also incorporated an Internal Financial Control Reporting system for proper financial control.

The evaluations of these internal financial controls were done by the Statutory Auditors.

### **5. SUBSIDIARY COMPANY, JOINT VENTURE & ASSOCIATE COMPANY**

As on 31<sup>st</sup> March, 2024 your Company has 7 Wholly owned Subsidiary Companies: -

- a) Yocnex Chemicals Private Limited
- b) Suksess Chemicals Private Limited
- c) Nocnex Chemicals Private Limited
- d) Ocilim Advisory Services Private Limited
- e) Wide Range Merchants Private Limited
- f) Allied Maritime & Infra Engineering Private Limited
- g) ARCL Petrochemicals Limited

In Compliance with IND AS-110, your Company has prepared its consolidated financial statements which forms part of its Annual Report. Pursuant to the provisions of Section 129(3) of Companies Act, 2013, the salient features of the subsidiary Company in the prescribed form AOC-1 are a part of the consolidated financial statements.

Your Company does not have any associates, holding or joint ventures as on 31st March, 2024.

### **6. LISTING OF THE SECURITIES OF THE COMPANY**

Equity shares of the Company got listed on 29<sup>th</sup> September 2023 on Bombay Stock Exchange and the listing Fees for the Financial year 2023 – 2024 have been paid on 29.04.2024 and 72.09% of the Equity Share Capital of the Company is in Dematerialization form.

## 7. DIRECTORS RESPONSIBILITY STATEMENT

**Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:**

(a) in the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) the directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) the directors have prepared the annual accounts on a going concern basis.

(e) the directors, have laid down internal financial control to be followed by the company and that such internal financial control are adequate and were operating effectively, and

(f) the directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively.

## 8. RELATED PARTY TRANSACTIONS

The related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

The details of the transaction are as follows:

- a. Type, material terms and particulars of the proposed transaction: Sponsorship of higher education (MBA) of the daughter of the Whole Time Director.
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise): Ms. Vaishnavi Mundhra who is the daughter of Director (Mr. Rajesh Mundhra), concern of interest is Financial.
- c. Tenure of the proposed transaction (particular tenure shall be specified): 1 year from the date of approval.
- d. Value of the proposed transaction: Rs. 50,00,000.
- e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided): 0.30%

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for

the transactions which are foreseen and are of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a yearly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.arclorganics.com](http://www.arclorganics.com).

#### **9. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company has a Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The details of the Vigil Mechanism are explained in the Corporate Governance Report and also posted on the website of the Company [www.arclorganics.com](http://www.arclorganics.com).

#### **10. CORPORATE GOVERNANCE**

The Company adheres to good governance practices. Corporate Governance at ARCL Organics Ltd extends to all stakeholders and is embodied in every business decision. The Company places prime importance on reliable financial information, integrity, transparency, empowerment and compliance with the law in letter and spirit.

While Management Discussion and Analysis Report appears in the Section titled 'the Year in Review' in the Annual Report, the Corporate Governance Report and the Certificate from the Secretarial Auditors of the Company confirming compliance of the conditions of Corporate Governance are annexed hereto and forming a part of the Directors' Report.

There is a conscious effort to ensure that the values enshrined in the Codes of Conduct for the Directors and Senior Management Personnel and the Employees respectively, are followed in true spirit across all levels of the Company.

#### **11. ANNUAL RETURN**

Pursuant to section 92(3) read with section 134(3)(a) of the Act, the Annual Return as on 31<sup>st</sup> March 2024 may be accessed on the Company's website at the [www.arclorganics.com](http://www.arclorganics.com).

#### **12. DISCLOSURE OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION, REDRESSAL) ACT, 2013**

In accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to provide for the effective enforcement of the basic human right of gender equality and guarantee against sexual harassment and abuse, more particularly against sexual harassment at work place, your Company has a Policy on Prevention of Sexual Harassment at the Workplace duly approved by the Board of Directors and posted on the website of the Company [www.arclorganics.com](http://www.arclorganics.com).

During the year, no complaint was reported under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



### **13. DIRECTORS**

Composition of the Board of Directors of your Company fulfills the criteria fixed by Regulation 17 (1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with fifty per cent of the Directors being Non-Executive Director with at least one-women independent director. Your Board comprises of (Eight) directors out of which 4 (Four) are independent directors and it includes one-woman independent director.

Mr. Mukesh Mundhra is Executive Director, retires by rotation in accordance with the requirements of Companies Act, 2013 and Articles of Association of the Company. He being eligible offers himself for re-appointment.

Brief resume of Mr. Mukesh Mundhra, nature of his expertise in specific functional areas, names of companies in which he holds directorships and/or memberships/chairmanships of committees of Board, his shareholdings are furnished in section on “**Corporate Governance**” elsewhere in the Annual Report.

Further, as declared by them, none of the Directors of the Company is disqualified from being appointed as a Director, as specified in section 164(2) of the Companies Act, 2013 and rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014 or is debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **14. 1. ANNUAL PERFORMANCE EVALUATION OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually, Key Managerial Personnel (KMP), Senior Management as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **14.2. NOMINATION & REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration the contents of which are placed on the website of the Company at [www.arclorganics.com](http://www.arclorganics.com).

### **14.3. MEETINGS**

During the year four (04) Board Meetings and two (02) 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.

## **15. AUDITORS**

### **15.1. STATUTORY AUDITORS**

The Member had appointed M/s L. B. Jha & Co, Chartered Accountants (Firm Registration No 301088E) as the statutory auditor of the Company at the 31<sup>st</sup> Annual General Meeting, to hold office as such, for a term of 5 years till the conclusion of 36<sup>th</sup> Annual General Meeting. M/s L.B. Jha & Co. continues to be the auditor of the Company for the financial year 2023 – 2024.

The observations made in the Auditor’s Report are self-explanatory and therefore, do not call for any further comments under Section 134(3)(f) of the Act.

### **15.2. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. KSN & Co, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as “**Annexure B**”.

## **AUDITORS’ QUALIFICATION**

### **(i) STATUTORY AUDITORS’ QUALIFICATIONS**

Qualifications contained in the Auditors’ Report if any have been dealt with in the Notes to financial statements and are self-explanatory.

### **(ii) SECRETARIAL AUDITORS’ QUALIFICATIONS**

Qualifications contained in the Secretarial Auditors’ Report if any have been dealt with in the Notes to Form MR-3 and are self-explanatory.

## **16. FRAUD REPORTING**

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

**17. COST AUDITORS**

Pursuant to section 148 of the Act, the Board has appointed M/s. Amit Khetan & Co (Firm Registration No. - 102559), to conduct the audit of cost records of the Company for the Financial Year 2023 – 2024.

**18. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT**

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s KSN & Co., Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the Financial year 2023 - 2024.

The Secretarial Audit Report for the Financial year 2023 - 2024 is provided as an Annexure to this Report. The Report does not contain any qualification, reservation or adverse remark.

**19. SECRETARIAL COMPLIANCE REPORT**

The Company has undertaken an audit for the Financial Year ended March 31, 2024 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s KSN & Co., Practicing Company Secretaries, has been submitted to the Stock Exchanges within 60 days from the end of the Financial Year.

**20. INTERNAL AUDITOR**

The Board of Directors of the Company has appointed M/s. MIB & Co. as Internal Auditors to carry-out extensive Internal Audit of the Company for the Financial Year ended March 31, 2024.

**21. REPORTING OF FRAUD BY AUDITORS**

During the year under the review the Statutory Auditor, Secretarial Auditor, Cost Auditor and Internal Auditor has not reported any instances of fraud committed in the company by its directors or officers or employees to the Audit Committee under the section 143(12) of the Companies Act, 2013.

**22. PARTICULARS OF EMPLOYEES**

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, is given in “**Annexure C**”.

### 23. TAXES AND DUTIES

Your Company has contributed **Rs.23,94,09,050/-** to the Central and State Exchequer by way of Taxes and duties.

### 24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

#### Conservation of Energy

##### a. Energy Conservation Measures Taken:

- Improvisation and continuous monitoring of Power Factor and replacement of weak capacitors by conducting periodical checking of capacitors.
- Installation of isolating valve in main airline for preventing air loss.
- The Company has relentlessly aimed at optimising the use of energy resources and taken adequate measures to avoid wastage and use latest technology and equipments.

##### b. Impact of the above Measures:

- Opportunity to compete in International Markets
- Technology up-gradation
- Development of new designs in products
- Attaining accreditation of our products from Internationally recognized Organizations

##### c. Total Energy Consumption and Energy Consumption per Unit of Production:

- Power & Fuel Consumption\*

I.	Electricity	Rs.
	Purchased Units (KWH in lacs)	<b>78.05</b>
	Total Amount (in Lacs)	<b>622.66</b>
	Monthly average (Rs. In Lacs)	<b>51.88</b>
	Rate (Rs/KWH)	<b>8</b>
II	Fuel Consumption	
	LDO Consumption (in KL)	<b>459.13</b>
	Total Amount (Rs. In Lacs)	<b>311.13</b>
	Monthly average (Rs. Lacs)	<b>25.93</b>
	Rate (Rs/Lacs)	<b>67.76</b>

FO Consumption from April 2023 to March 2024 = 559.66 KL

Total amount = 309.79 Lacs

Monthly Average (Rs in Lacs) = 25.75 L

Rate (Rs/Litre) = 55.35

#### Technology Absorption:

##### **Research and Development (R & D):**

The current success, and our future success, is largely dependent on our ability to develop new products and processes and to improve the features of existing products. The research activity includes-

- Low emission formaldehyde E0/E1 in plywood application.
- Slow Release Nitrogen crude protein in cattle field application, M PRO.

c) Import Substitution cross linker HMMM.

**Expenditure on R & D:**

No.	Particulars	2023-24 (Rs.)
I.	Capital Expenses	3,81,463
II.	Revenue Expenses	1,00,25,550
III.	Total	1,04,07,013
IV.	Total R & D Expenditure as a % of Turnover	0.55%

**Government recognition of our R & D**

It's a matter of great pride that company got recognition by Government of India approving our in-house laboratory as DSIR certified. There are many funds received from all over the world with Government of India for R&D works. They gave these funds to DSIR recognized laboratory only. This will give us an opportunity to get such fund and do real great R&D, helping world and society with innovations. We are pretty sure under the leadership of our talented R& D chief, ARCL will achieve lot of recognition & do real innovative research benefiting the industry & society.

**Foreign Exchange Earnings and Outgo:**

- a) Expenditure in Foreign Currency - Rs. 36,70,16,712 /-
- b) Earnings in Foreign Currency- Rs. 56,72,47,724 /-

**25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operation.

**26. ACKNOWLEDGEMENTS**

Your Directors express their sincere appreciation of the co-operation and assistance received from the shareholders, bankers, regulatory bodies and other business constituents during the year under review.

**Rampur Budge Budge Trunk Road,  
Kolkata - 141  
Date: 26.04.2024**

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

**(Suraj Ratan Mundhra)  
Chairman and Managing Director  
(DIN No. 00681223)**

**ANNEXURE TO DIRECTORS’ REPORT****MANAGEMENT DISCUSSION AND ANALYSIS****1. FINANCIAL STATEMENTS**

Financial Statements are in compliance with the provisions of the Companies Act, 2013 and the Accounting Standards issued by ICAI. Readers are cautioned that this discussion may include “forward-looking statements” that are not historical in nature. Forward looking statements may include statements relating to future results, financial condition, business prospects, plans and objectives. Statements are based on current beliefs, assumptions, expectations, estimates and projections on the business segment in which your company operates. The statements do not guarantee positive performance, exposed to known and unknown uncertainties, many of which are beyond the control of your Company. Uncertainty could cause results to differ from forward-looking statements, which should not be construed as representation of future performance.

**2. MACRO-ECONOMIC OVERVIEW**

The Indian chemical industry plays a pivotal role in contributing to the economy of the country, accounting for approximately 7 per cent of GDP and is expected to reach USD304 billion by 2025, up from USD178 billion in 2021. The industry continues to remain an attractive hub for opportunities for both domestic and multinational manufacturers.

Specialty chemicals segment comprises a significant portion of India’s chemical industry. With rising demand for value-added products by both domestic consumption and exports, the industry has experienced a significant increase from end-user segments such as the food industry, automobile industry, real estate, clothes and cosmetics, among other industries. Additionally, the Indian specialty chemicals industry is also expected to outpace China, Japan and the rest of the world. From a trading perspective, specialty chemicals account for a significant share of more than 50 per cent of chemical exports.

However, prevailing factors also spurred demand for a few specialty chemical sub-segments because these were identified, as necessary. Consumer demand, for instance, increased for products related to hygiene. The lockdown period also led to supply chain disruptions, which forced manufacturers to de-risk their supply chains and shift their reliance away from crucial manufacturers located in China and toward alternative countries like India.

Moreover, stringent pollution control regulations and high labour costs, along with ‘China plus one’ strategy are expected to encourage manufacturers from China and other developed nations to move their manufacturing capabilities to India. Additionally, India’s strong process engineering capabilities, low-cost manufacturing capabilities and abundant manpower are leading to an array of opportunities for imports and exports of specialty chemicals.

Likewise, government initiatives, such as the Petroleum, chemicals and petrochemicals investment region (PCPIR) policy and production linked incentive (PLI) schemes, are providing reassurance to further develop the potential for domestic manufacturing and specialty chemicals, which are anticipated to benefit from this momentum. While India aims to emerge as a manufacturing hub for the world, there are likely to be a few challenges in the near term. Therefore, the country should also focus on aspects such as research and development, capital investment, acquisitions, economies of scale, and most importantly, expanding domestic demand to sustain the rising growth of the industry.

### 3. OPPORTUNITIES

- A. **Emerging Markets and Global Expansion:** Emerging economies, particularly in Asia-Pacific and Latin America, offer significant growth opportunities for specialty chemical companies. Rapid urbanization, industrialization, and infrastructure development in these regions drive demand for specialty chemicals in construction, automotive, and consumer goods industries.
- B. **Cross-Industry Collaborations and Partnerships:** Collaborations between specialty chemical companies and other industries, such as healthcare, agriculture, and automotive, can lead to innovative product development and market expansion. By leveraging synergies and expertise across different sectors, companies can unlock new growth opportunities and create value for stakeholders.
- C. **Growing Demand for Customization:** Specialty chemicals offer unique properties and functionalities tailored to specific applications. With increasing demand for customized solutions in industries such as pharmaceuticals, agriculture, and electronics, there is a significant opportunity for specialty chemical manufacturers to meet these diverse needs.

### 4. THREATS

#### A. **Regulatory Compliance and Environmental Concerns:**

Stringent regulatory requirements and environmental standards pose challenges for chemical manufacturers in India. Compliance with regulations related to pollution control, waste management, and occupational health and safety can significantly increase operational costs and regulatory burdens.

**B. Global Competition:**

The chemical industry in India faces stiff competition from global players, particularly from countries with lower production costs and more favorable regulatory environments. Import competition, especially for commodity chemicals, can exert pressure on domestic manufacturers, leading to pricing pressures and margin erosion.

**C. Volatility in Raw Material Prices:**

Fluctuations in the prices of raw materials, such as crude oil, natural gas, and petrochemicals, can impact the cost structure of chemical manufacturing in India. Price volatility makes it challenging for companies to forecast costs accurately and maintain profitability.

**D. Supply Chain Disruptions:**

Disruptions in the global supply chain, such as transportation bottlenecks, logistics challenges, and geopolitical risks, can disrupt the flow of raw materials, intermediates, and finished products. Supply chain disruptions can lead to production delays, inventory shortages, and increased costs for chemical manufacturers.

**5. FUTURE OUTLOOK**

Your Company is pleased to share a positive outlook as it navigates and excels in the dynamic landscape of the chemical industry. We are delighted to highlight some significant achievements and growth prospects that shape our company's promising future.

First and foremost, Your Company has experienced impressive revenue growth, achieving an approximate 20% increase. This notable achievement reflects the company's unwavering dedication to excellence, innovation, and customer satisfaction, further underscoring its resilience and adaptability to market demands.

Furthermore, it is with great excitement that we announce Your Company's successful venture into new formaldehyde markets. By expanding its global reach and diversifying its customer base, the company is bolstering its competitiveness and unlocking new avenues for growth. This strategic expansion aligns seamlessly with our overarching goal of establishing ARCL Organics Ltd as a global leader in the chemical industry.

In line with strategic growth initiatives, Your Company has made substantial investments in capital expenditure (CAPEX), amounting to over 50 Crores in the past three years. These strategic investments have fortified the company's production



capabilities, enhanced operational efficiency, and positioned it to effectively meet burgeoning market demand. Our state-of-the-art facilities and infrastructure lay a solid foundation for sustainable growth and value creation.

Looking ahead, Your Company is confident that it is poised for exponential growth. With all its plants operating at full capacity, the company is exceptionally positioned to capitalize on emerging opportunities and drive top-line growth. Its steadfast commitment to quality, innovation, and customer satisfaction remains unwavering and continues to be the cornerstone of its success.

As Your Company embarks on this exciting journey of growth and expansion, it extends sincere appreciation to each member of its team for their dedication, hard work, and steadfast commitment to excellence. Together, the team will harness collective strengths, seize opportunities, and chart a course towards a prosperous future for ARCL Organics Ltd.

#### **6. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Internal control system adopted aimed at promoting operational efficiencies and emphasizing adherence to the policies adopted by the Board of Directors.

#### **7. CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing your Company's position and expectations may be "forward looking statements" within the meaning of the applicable securities laws and regulations. Results could differ materially from the statements expressed or implied.

**Rampur Budge Budge Trunk Road,  
Kolkata 700 141  
Date: 26.04.2024**

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

**(Suraj Ratan Mundhra)  
Chairman and Managing Director (DIN No. 00681223)**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED **31<sup>st</sup> March 2024**  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies*  
*(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**ARCL ORGANICS LIMITED**  
**(U24121WB1992PLC056562)**  
**RAMPUR, P.S. MAHESHTALA**  
**PARGANAS SOUTH**  
**KOLKATA (WB)-700141**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s ARCL ORGANICS LIMITED (CIN: U24121WB1992PLC056562)** (hereinafter called as “the company”). The Secretarial Audit was conducted for the year ended **31<sup>st</sup> March 2024** in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2024** 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 **31<sup>st</sup> March 2024** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the Company during the audit period)**
- (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; **(not applicable to the company during the audit period)**
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
- (g) 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; **(Not applicable to the Company during the audit period)**
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)** and
- (j) We further report that, the Company has identified the following laws as specifically applicable to the Company:
  - a. The factories Act, 1948
  - b. Minimum wages Act, 1948
  - c. The Explosive Act, 1884
  - d. Indian Boilers Act, 1923
  - e. The Bengal Excise Act, 1909
  - f. Hazardous Chemicals Rules

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors ('SS-1') and General Meetings ('SS-2') issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited.

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

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**We further report that**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including Women 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.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings, Independent Directors Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, or at shorter notice in compliance with the applicable provisions of the Act (where ever required) 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 by the Directors.
- (iii) All decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

We further report that based on the review of the compliance mechanism established by the Company, we are of the opinion that Management has adequate systems and processes placed in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

**We further report that it has been observed that the Company has shown 10 lakhs shares in physical form with promoters in their shareholding pattern whereas, registrar & transfer agent (RTA) has shown the same in the name of Mr. Azam Essof Kolia under Non-resident Indian (NRI) shareholder (not a promoter). As per management, the transfer of above shares is still pending in the books of RTA due to certain approvals.**

We further report that during the Audit Period, the Company had the following specific events:

- 1) The Company received listing notice from BSE dated 28.09.2023 bearing Notice No: 20230928-25 that equity shares of the Company were listed and admitted to dealings on the Exchange in the list of T Group of Securities with effect from September 29, 2023.

2) The Company has certain litigation pending in the matter of Direct & Indirect taxes, and other taxes incidental to its business and operations. The summary of the litigations are as follows:

Nature of litigation	No. of Proceedings	Amount (Rs in Lacs)
Cases pending in the matter of Direct Tax	2	957.75
Indirect Taxes	4	585.48
Property Tax	1	423.73

**FOR KSN & COMPANY**  
**COMPANY SECRETARIES**  
*(A Peer Reviewed Firm)*

**NAND KISHORE SHARMA**  
**MEM No: A32530 | COP No: 20657**  
**UDIN: A032530F000253080**  
**DATE: 26.04.2024**  
**PLACE: KOLKATA**

**Note:** This report is to be read with letter of even date which is Annexure “1” and forms an integral part of this report.

**'ANNEXURE - 1'**

To,  
The Members,  
**ARCL ORGANICS LIMITED**  
**(U24121WB1992PLC056562)**  
**RAMPUR, P.S. MAHESHTALA**  
**PARGANAS SOUTH**  
**KOLKATA (WB)-700141**

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

1. Maintenance of Secretarial records as per applicable standards, 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 the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we have 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 future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR KSN & COMPANY**  
**COMPANY SECRETARIES**  
**(A Peer Reviewed Firm)**

**NAND KISHORE SHARMA**  
**MEM No: A32530 | COP No: 20657**  
**UDIN: A032530F000253080**  
**DATE: 26.04.2024**  
**PLACE: KOLKATA**

**PARTICULARS OF EMPLOYEES**

**[Statement of Particulars as per Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**1. The ratio of the remuneration of each Director, Chief Financial Officer and Company Secretary to the median remuneration of the employees of the Company for the financial year 2023 – 2024**

Name of Directors or KMP	Designation	The ratio of remuneration of each Director to the median remuneration for the financial year 2023-24	Percentage increase in remuneration in the financial year 2023-24
Shri Suraj Ratan Mundhra	Chariman and Managing Director	6.96	NIL
Shri Rajesh Mundhra	Whole time Director	6.96	NIL
Shri Mukesh Mundhra	Whole time Director	6.96	NIL
Mr. Navneet Bagri	CFO	-	50%
Mr. Subhankar Paul	CS	-	50%

**Notes:**

- A. During the year there are 161 permanent employees on the rolls of the Company.
- B. During the year the median remuneration of all employees for the financial year 2023 – 2024 is ₹28,723 per month.
- C. During the year the percentage increase in the median remuneration of employees in the financial year 2023 – 2024 is 7.2%.
- D. During the year there was no increase in the remuneration of the Chairman and Managing Director and the executive directors but for the KMPs there was an increase of 50% because the salaries of KMPs were not according to the market standards and increments of KMPs were due for more than 2 years.
- E. During the year no employees of the Company have drawn remuneration over and above of 60 lacs per annum.
- F. During the year the remuneration paid is as per the remuneration policy of the Company.

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

**Registered. Office:  
Rampur Budge Budge Trunk Road  
Kolkata 700141**

**(Suraj Ratan Mundhra)  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN NO. 00681223)**

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2023-24**

**[As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the Stock Exchanges]**

Transparency and accountability are the two basic tenets of Corporate Governance. Corporate Governance consists of laws, policies, procedures, and most importantly, practices that ensure the well-being of the assets of the Company, enhance shareholders’ value and discharge social responsibilities.

Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and Independent Board. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company.

Board of Directors’ of your Company is committed in doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legislation. A Code of Conduct is framed and adopted by the Board of Directors to ensure strict management compliance.

Your Company acknowledges its responsibilities towards its stakeholders and ensures compliance with the requirements of the guidelines on Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company respects the rights of its shareholders and its endeavor has always been to maximize the long term value to the shareholders of the Company.

**I. Company’s philosophy on Corporate Governance**

Corporate Governance is all about highest standard of integrity, transparency, adoption of best management practices, principles and values. As your Company is listed in Bombay stock Exchange, it is adopting a strong legacy of fair, transparent and ethical governance practices. Your company is also adopting the Code of Conduct for its independent directors and diving towards sustained corporate growth.

**Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Your Company is fully compliant with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Board presents the report on compliance of governance stipulations specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## II. Board of Directors

As on March 31, 2024, our Company has **8 (Eight) directors** which includes an Executive Chairman and Managing Director and 4 (Four) Directors who are Non-Executive - Independent Directors including a Woman Director. Composition of the Board of your Company fulfills the requirement under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is as under:

Category	Particulars of Directors
(a) Non-Executive - Independent Directors	i. Mr. Nilmani Rathi, Non-Executive – Independent Director ii. Mr. Brij Mohan Mohta, Non-Executive – Independent Director iii. Mrs. Stuti Pithisaria, Non-Executive – Independent Director iv. Mr. Prateek Chaudhary, Non-Executive – Independent Director
(b) Executive – Non - Independent Directors	i. Mr. Suraj Ratan Mundhra, Chairman & Managing Director ii. Mr. Rajesh Mundhra, Whole Time Director iii. Mr. Mukesh Mundhra, Whole Time Director iv. Mr. Ajay Kumar Mimani, Executive Director

As per the Regulation 26 of SEBI (Listing obligation and Disclosure Requirement), Regulation, 2015 No Directors on the Board are members of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees across all Companies in which they are Directors. Necessary disclosures regarding Committee position in other Public Companies as on March 31, 2024 have been made by the Directors.

Board Members are responsible for the management of the business. Role, functions, responsibility and accountability of the Board are clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include

- (i) approving corporate philosophy and vision;
- (ii) formulation of strategic and business plans;
- (iii) reviewing and approving financial plans and budgets;
- (iv) monitoring corporate performance against strategic and business plans, including overseeing operations;
- (v) ensuring ethical behavior and compliance of laws and regulations;

- (vi) reviewing and approving borrowing limits;
- (vii) formulating exposure limits; and
- (viii) keeping shareholders informed regarding plans, strategies and performance.

Name and nature of appointment of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Companies is given below. Other Directorships do not include Alternate Directorships, Directorships of Private Limited Companies, Section 8 Companies and Companies Incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

None of the directors are related inter-se.

It is hereby confirmed that in the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

Name of the Directors	Category	Year 2023 – 2024 Attendance at Board Meetings	Year 2022 – 2023 Attendance at the last AGM	No. of other Directorships	*No of other Board / Committees of which he/she is a member	*No of other Board / Committees of which he/she is a chairman
Mr. Suraj Ratan Mundhra	Promoter Non-Independent	4	Yes	3	1	0
Mr. Nilmani Rathi	Independent	4	Yes	1	4	2
Mr. Brij Mohan Mohta	Independent	4	Yes	3	4	2
Mr. Rajesh Mundhra	Promoter Whole Time Director	4	Yes	3	0	0
Mr. Mukesh Mundhra	Promoter Whole Time Director	4	Yes	1	1	0
Mr. Ajay Kumar Mimani	Executive Director	4	Yes	3	0	0
Mr. Prateek Chaudhary	Independent	2	-	0	4	4

Mrs. Stuti Pithisaria	Independent	2	-	1	4	4
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\* This excludes Directorship held in Indian Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\* Committees refer to Audit Committee and Stakeholders Relationship Committee.

**Category of Directorship in All Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Sl. No	Name of Director	Name of the Listed Entity	Category of Directorship
1.	Mr. Suraj Ratan Mundhra	ARCL Organics Ltd.	Chairman - Managing - Non-Independent Director
		ARC Holding Ltd.	Executive - Non-Independent Director
		Classic Furniture and Furnishings Pvt. Ltd.	Executive - Non-Independent Director
		Classic Furniture Manufacturing Co Pvt. Ltd.	Executive - Non-Independent Director
2.	Mr. Nilmani Rathi	ARCL Organics Ltd.	Non-Executive - Independent Director
		Bhootnath Estates Private Limited	Non-Executive - Independent Director
3.	Mr. Brij Mohan Mohta	ARCL Organics Ltd.	Non-Executive - Independent Director
		Rajasthan Yarn Processing Mills Pvt. Ltd.	Executive - Non-Independent Director
		Ambica Textile Mills Pvt. Ltd.	Executive - Non-Independent Director
		Bengal Integrated Textile Park Limited	Executive - Non-Independent Director
4.	Mr. Rajesh Mundhra	ARCL Organics Ltd.	Whole Time - Non-Independent Director
		ARC Holding Ltd.	Executive - Non-Independent Director
		Classic Furniture and Furnishings Pvt. Ltd.	Executive - Non-Independent Director
		Classic Furniture Manufacturing Co Pvt. Ltd.	Executive - Non-Independent Director

5.	Mr. Mukesh Mundhra	ARCL Organics Ltd.	Whole Time - Non-Independent Director
		ARC Holding Ltd.	Executive - Non-Independent Director
6.	Mr. Ajay Kumar Mimani	ARCL Organics Ltd.	Executive - Non-Independent Director
		Rchem Industries Private Limited	Executive - Non-Independent Director
		Wide Range Merchants Pvt. Ltd.	Executive - Non-Independent Director
		Ocilim Advisory Services Private Limited	Executive - Non-Independent Director
7.	Mr. Prateek Chaudhary	ARCL Organics Ltd.	Non-Executive - Independent Director
8.	Mrs. Stuti Pithisaria	ARCL Organics Ltd.	Non-Executive - Independent Director
		Ganges InfoTech Private Limited	Executive - Non-Independent Director

### **Resignation / Appointment of the Key Managerial Personnel**

There were three resignations and three appointments during the period:

1. Mr. Mihir Kumar Ghosh – Independent director resigned on 04.09.2024
2. Mr. Trinetra Bajpai - Independent director resigned on 04.09.2024
3. Miss. Vaishnavi Mundhra – Whole Time Director resigned on 04.09.2024
4. Mr. Prateek Chaudhary – Independent director appointed on 04.09.2024
5. Mrs. Stuti Pithisaria – Independent director appointed on 04.09.2024
6. Mr. Brij Mohan Mohta - Independent director appointed on 04.09.2024

### **Familiarization Programmes for Board Members**

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committees, on business and performance updates of the Company. Relevant statutory changes encompassing important laws are regularly made available to the Directors. Efforts are also made to familiarize the Directors about the Company, their roles, rights, responsibility in the Company, nature of the industry in which the Company operates, business model/procedures/ processes of the Company, etc. through various programmes including plant visits. Your Company has also formulated policy on the Familiarization program for Board Members and can be accessed by visiting the website of the Company <https://arclorganics.com/>

### **Skills/Expertise/Competence of the Board of Directors**

1. Mr. Suraj Ratan Mundhra - is a highly accomplished professional with a diverse educational background, having completed his master's in commerce, AICWA (Intermediate), and LLB. His journey in the corporate world began in 1969 when he started his career as a Chemical Trader. In 1983, he made a bold move by acquiring ARCL, a loss-making unit, and took on the challenge of turning the company around. With over five decades of experience under his belt, Mr. Mundhra's leadership and expertise have been instrumental in driving ARCL Organics Ltd to new heights. One of his notable contributions is introducing the latest formaldehyde technology, which has played a significant role in the company's success. As the Chairman and Managing Director of ARCL Organics Ltd, Mr. Mundhra's influence and vision have touched all aspects of the organization. With a stellar track record and profound understanding of the business landscape, Mr. Suraj Ratan Mundhra continues to inspire and steer ARCL Organics Ltd towards greater achievements in the world of chemicals and organic solutions.
2. Mr. Brij Mohan Mohta - has 45 years' experience in Textile Manufacturing, presently carrying on trading business in textile fabric having a vast knowledge of manufacturing and trading business and also holding directorship in other Companies.
3. Mr. Rajesh Mundhra - is a distinguished postgraduate from the esteemed University of Hartford. With over 25 years of experience in the Chemical industries, he has honed his expertise in various domains, including production, product development, maintenance, factory administration, and marketing. His professional focus centers around fully optimizing resource utilization possible, showcasing his commitment to efficiency and effectiveness in business operations. Furthermore, Mr. Mundhra maintains a close and influential relationship with the Indian Plywood Industry, underscoring his deep involvement and understanding of the sector. With his extensive knowledge and multifaceted skills, Mr. Rajesh Mundhra continues to be a driving force in the Chemical industry, contributing significantly to the growth and success of businesses he is associated with.
4. Mr. Mukesh Mundhra - is a highly accomplished postgraduate from the prestigious University of California. With an extensive background spanning more than 20 years, he has amassed a wealth of experience in the Petrochemicals, Oil and Gas, and shipping industries, excelling in various facets of business and marketing. As a key figure in the organization, Mr. Mundhra assumes responsibility for critical areas such as business development, expansion, and spearheading new projects. Notably, he played a pivotal role in the success of ARCL by introducing the innovative Aqua Strong Bond, a product that garnered immense acclaim for the company. Heading the entire marketing team, Mr. Mukesh Mundhra's visionary leadership and strategic acumen have been instrumental in driving the overall growth and success of the Company. His exceptional abilities and vast expertise continue to shape the trajectory of the organization, making him an invaluable asset in the industry.
5. Mr. Prateek Chaudhary – is a qualified Chartered Accountant and has more than 9 years of experiences in practice field. He is a senior partner at M/s Mahander Chaudhary & Co, Chartered Accountants, a renowned CA firm with a legacy of almost 40 years. He currently serves as the Chairman of the Council on Startups at the Merchants Chambers of Commerce & Industry in Kolkata, where he plays a pivotal role in promoting and supporting startups in the region. He has been a mentor for MSMEs and was Co-Chair of Council on MSMEs at MCCI for the year 2022-2023.

6. Mrs. Stuti Pithisaria - a qualified Company Secretary and has over 14 years of extensive experience in handling capital markets transactions including preferential allotments, QIP and allied Stock Exchange and SEBI related matters. She has been instrumental in planning and structuring various types of further allotments, resolving listing related issues, obtaining SEBI's exemptions, stock exchange approvals and other clearances. She has dealt with all kind of matters involving Corporate Laws, due diligence, M&A, ESOPs, insider trading regulations. She is currently in full time practice as a Company Secretary. Prior experience includes working with Poonawalla Fincorp Limited (erstwhile Magma Fincorp Limited) as Associate Vice President.

### **Responsibilities of the Board**

The primary role of the Board is to protect and enhance shareholder value. It monitors the effectiveness of the Company's governance practices and makes changes as necessary. The Board exercises independent judgment on corporate affairs. The Board's concentration is also on strategy, policy and control, delegation of power and specifying approvals that remain in the Board's domain besides review of corporate performance and reporting to shareholders. The Board and Management's roles are clearly demarcated. The management and the conduct of the affairs of the Company lie with the Managing Director who heads the management team. The Managing Director acts as a link between the Board and the Management and is also responsible for leading and evaluating the work of other executive leaders. He presides over all meetings of the Board and of the shareholders of the Company. He takes a lead role in managing the Board and facilitates effective communication among directors. He is responsible for overseeing matters pertaining to governance, composition and effectiveness of the Board and its committees, and the performance of individual directors. He also monitors industry developments and standards, identifies opportunities for expansion and acquisition, and strengthens relationships with customers, shareholders and markets to enhance shareholder value and implementing the organization's vision.

### **Role of Independent Directors**

The Independent Directors play an important role in deliberations and decision-making at the Board Meetings and bring to the Company wide experiences in their respective fields. They also contribute in significant measure to Board Committees.

### **III. Independent Directors Meeting**

As per the Schedule IV to the Companies Act, 2013 and pursuant to regulation 25 of the SEBI (Listing Obligation and Disclosure Requirement), Regulation 2015 mandates that the Independent Directors of the Company shall hold at least one meeting in a year.

During the Financial year under review, the Independent Directors met on 13<sup>th</sup> February, 2024, inter alia, to discuss:

- (i) Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- (ii) Evaluation of the performance of the Chairman of the Company, considering the views of the Executive and Non-Executive Directors.

- (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.

Name	Category	No. of Meeting During the Financial Year 2023 - 2024	
		Held	Attended
Mr. Brij Mohan Mohta	Chairman	1	1
Mr. Nilmani Rathi	Member	1	1
Mrs. Stuti Pithisaria	Member	1	1
Mr. Prateek Chaudhary	Member	1	1

### **Confirmation of Independence**

Based on the declarations received from the Independent Directors, the Board of Directors is of the opinion that they meet the criteria of independence as per Regulation 16(1)(b) of SEBI Listing Regulations and that they are independent of the management.

### **Certificate of Company Secretary in practice**

A Certificate obtained from a Company Secretary in Practice, confirming that none of the Directors of the Company is debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, is annexed hereto.

### **IV. Board Meetings**

Four (04) Board Meetings were held during the Calendar Year and the gap between two meetings did not exceed 120 days (One Hundred and Twenty days). Dates on which Board Meetings were held in each quarter are as follows:

Calendar Quarter	Date of Meetings
Second	April 04, 2023
	May 14, 2023
Third	September 04, 2023
Fourth	November 09, 2023

## V. Audit Committee

- (i) Audit Committee of the Company is constituted as per the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- (ii) Audit Committee has been vested with the following powers:
  - a. To investigate any activity within its terms of reference.
  - b. To seek information from any employee.
  - c. To obtain outside legal or other professional advice.
  - d. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (iii) The terms of reference of the Audit Committee are broadly as under:
  1. 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;
  2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
  4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
    - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of sub-section 3 of section 134 of the Companies Act, 2013
    - b. Changes, if any, in accounting policies and practices and reasons for the same
    - c. Major accounting entries involving estimates based on the exercise of judgement by management
    - d. Significant adjustments made in the financial statements arising out of audit findings
    - e. Compliance with listing and other legal requirements relating to financial statements
    - f. Disclosure of any related party transactions
    - g. Qualifications in the draft audit report



5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. 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;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and Risk Management Systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower Mechanism;

19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. The Company Secretary of the Company acts as Secretary of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(iv) The Composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee is given below:

Name	Category	No. of Meetings during the year 2023 – 2024	
		Held	Attended
Mr. Nilmani Rathi – Chairman	Independent, Non-Executive	2	2
Mr. Suraj Ratan Mundhra - Member	Non-Independent, Non-Executive	2	2
Mr. Mukesh Mundhra - Member	Non-Independent, Non-Executive	2	2
Mr. Brij Mohan Mohta - Member	Independent, Non-Executive	2	2
Mr. Prateek Chaudhary - Member	Independent, Non - Executive	2	2
Mrs. Stuti Pithisaria - Member	Independent, Non-Executive	2	2

(v) Two Audit Committee meetings were held during the Financial Year 2023-2024. The dates on which the said meetings were held in each quarter are as follows:

Quarter	Date of Meetings
Third	November 09, 2023
Fourth	February 13, 2024

**Note: - As the Company got listed on 29.09.2023 hence the compliance with the Regulation 18 of SEBI (Listing Obligation and Disclosure Requirement), Regulation, 2015 is applicable prospectively.**

## **VI. Nomination and Remuneration Committee**

(i) The Company has constituted a Nomination and Remuneration Committee of Directors.

(ii) The broad terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulate 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.
2. The Committee while formulating the policy will ensure that—
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
3. Formulation of criteria for evaluation of Independent Directors and the Board.
4. Devising a policy on Board diversity.
5. 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 and the Company shall disclose the Remuneration Policy and the evaluation criteria in its Annual Report.
6.
  - a) Recommend & Review succession plan for Managing Director
  - b) Review and approve succession plan for Senior Management
7. Such other matters as Board may from time to time request the Nomination and Remuneration Committee to examine and recommend / approve.

(iii) One meeting was held during the Financial Year 2023 - 2024. The composition of the Nomination and Remuneration Committee are given below:

Name	Category	No. of Meetings during the year 2023-24	
		Held	Attended
Mr. Brij Mohan Mohta, Chairman	Independent, Non-Executive	1	1
Mr. Nilmani Rathi, Member	Independent, Non-Executive	1	1
Mr. Prateek Chaudhary, Member	Independent, Non-Executive	1	1
Mrs. Stuti Pithisaria	Independent, Non-Executive	1	1

The Company Secretary is the Secretary of the Committee.

(iv) Details of Remuneration received by the Directors for the year ended March 31, 2024:

(a) **Non-Executive Directors:** Remuneration by way of sitting fees for attending the meetings of Board/Committee thereof were paid as follows: -

SI. NO.	Name of Directors	Amount (₹)
01.	Mr. Nilmani Rathi	1,00,000
02.	Mr. Brij Mohan Mohta	50,000
03.	Mrs. Stuti Pithisaria	1,00,000
04.	Mr. Prateek Chaudhary	1,00,000

Pursuant to Section 197(5) of the Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, sitting fees payable to Non-Executive Directors per Board/Committee Meeting is Rs. 25,000/-.

#### b) Managing Director

Details of Remuneration paid to Managing Director is as follows:-

Name	Salary & Other Allowances
Mr. Suraj Ratan Mundhra	24,00,000

#### NOMINATION AND REMUNERATION POLICY

**The objective and purpose of this policy are:**

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on September, 04 2023. The Policy is made available on the Company's website at [arclorganics.com](http://arclorganics.com)

### **1. Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

### **2. Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. 1,00,000/- (Rupees One Lakh Only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

### **3. Commission:**

Subject to the provisions of the section 197 of the Companies Act, 2013, any director who is in receipt of any commission from the company and who is a managing or whole-time director of the company shall not be disqualified from receiving any remuneration or commission from any holding company or subsidiary company of such company subject to its disclosure by the company in the Board's Report.

### **4. Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

#### **(a) Annual Performance Evaluation of the Board**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees and Stakeholders Relationship Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board's culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the

Company and its minority shareholders etc. The entire Board carried out the performance evaluation of the Independent Directors. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel (KMP) and the Senior Management. The Directors expressed their satisfaction with the evaluation process.

## VII. Stakeholders Relationship Committee

- (i) The Company has constituted a Stakeholders Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares to Demat accounts, non-receipt of dividend / notices / annual reports, etc.
- (ii) The Stakeholders Relationship Committee consist of 4 (Four) Members, all are Non-Executive Independent Directors.
- (iii) One Meeting of Stakeholders Relationship Committee was held during the Financial year 2023 - 2024.
- (iv) Mr. Subhankar Paul is the Company Secretary and Compliance Officer of the Company.
- (v) The Company Secretary is the Secretary of the Committee.
- (vi) The details of Complaints from stakeholders are as follows: -

Years	Complaints outstanding as on 01.04.2023	Complaints Received	Complaints Resolved	Complaints pending as on 31.03.2024
2023-2024	Nil	Nil	Nil	Nil

The composition of the Nomination and Remuneration Committee are given below:

Name	Category	No. of Meeting During the Financial Year 2023 - 2024	
		Held	Attended
Mr. Brij Mohan Mohta	Chairman	1	1
Mr. Nilmani Rathi	Member	1	1
Mrs. Stuti Pithisaria	Member	1	1
Mr. Prateek Chaudhary	Member	1	1

## VIII. Corporate Social Responsibility Committee

- (i) The Company has constituted CSR committee which focuses on social and environmental responsibilities to fulfill the needs and expectations of the

communities around company’s business operations. The CSR activities are not limited to philanthropy, but encompasses holistic community development, institution-b-building and sustainability-related initiatives.

- (ii) The Corporate Social Responsibility Committee consist of 4 (Four) Members, all are Non-Executive Independent Directors.
- (iii) One Meeting of Corporate Social Responsibility Committee was held during the Financial year 2023 - 2024.
- (iv) Mr. Subhankar Paul is the Company Secretary and Compliance Officer of the Company.
- (v) The Company Secretary is the Secretary of the Committee.

Name	Category	No. of Meeting During the Financial Year 2023 - 2024	
		Held	Attended
Mr. Brij Mohan Mohta	Chairman	1	1
Mr. Nilmani Rathi	Member	1	1
Mrs. Stuti Pithisaria	Member	1	1
Mr. Prateek Chaudhary	Member	1	1

## IX. General Body Meetings

Location and time where last three Annual General Meetings were held:

Financial Year	2020-2021	2021-22	2022-23
<b>Date</b>	July 30, 2021	September 16, 2022	September 29, 2023
<b>Time</b>	11:30 A.M.	3:30 P.M.	3:30 P.M.
<b>Venue</b>	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) at the Registered Office of the Company at Rampur Budge Budge Trunk Road Kolkata - 700141	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) at the Registered Office of the Company at Rampur Budge Budge Trunk Road Kolkata - 700141	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) at the Registered Office of the Company at Rampur Budge Budge Trunk Road Kolkata - 700141
<b>Whether Special Resolution passed</b>	yes	yes	No

## **X. Disclosure by the Management to the Board**

The management discloses to the Board all material, financial and commercial transactions where they have personal interest and which may have potential conflict of interest with the Company at large:

- (a) Related party transactions for the year being transactions with Promoters, Directors or Key Managerial Personnel or their Relatives has been stated in 28 of Notes on Financial Statements. Further, the Board has approved a policy for related party transactions which has been uploaded on the Company's website at <https://arclorganics.com/>
- (b) There was no significant instance of non-compliance on any matter related to the capital market, during the last three years.
- (c) Vigil Mechanism - Your Company has established a mechanism called "Vigil Mechanism" for employees to report to the management instances of unethical behavior actual or suspected, fraud or violation of Company's code of conduct or ethics policy. The policy is available on the website of the Company at <https://arclorganics.com/>
- (d) Familiarization Programme for Independent Directors- Company has formulated a Familiarization Programme for Independent Directors and the details of which are disclosed on the Company's website <https://arclorganics.com/>

## **XI. Subsidiary Company**

As on 31st March, 2024 your Company has 7 Wholly owned Subsidiary Companies: -

- a) Yocnex Chemicals Private Limited
- b) Suksess Chemicals Private Limited
- c) Nocnex Chemicals Private Limited
- d) Ocilim Advisory Services Private Limited
- e) Wide Range Merchants Private Limited
- f) Allied Maritime & Infra Engineering Private Limited
- g) ARCL Petrochemicals Limited

Audit Committee of your Company reviews the financial statements of the Subsidiary Company in each meeting. Minutes of the Board Meetings of the Subsidiary Company are considered at Board Meetings of your Company and at regular intervals, significant transactions, arrangements entered into by the Subsidiary Company are placed at the Board Meetings of your Company.



## XII. Compliance Certificate

Compliance Certificate on Corporate Governance from Secretarial Auditors of the Company is annexed herewith.

## XIII. Means of Communication

Financial results of the Company are published in the newspapers as follows:

Quarterly and half-yearly results:	Published in the newspapers:  i) Second Quarter and half year ended September 30, 2023 unaudited results published in Business Standard (English) and Arthik Lipi (Bengali) on 10-11-2023.  ii) Third Quarter and nine months ended December 31, 2023 unaudited results published in Business Standard (English) and Arthik Lipi (Bengali) on 14-02-2024.  iii) Fourth Quarter and year ended March 31, 2024 audited results published in Business Standard (English) and Arthik Lipi (Bengali) on 27-04-2024.
Newspapers in which results are normally published:	Business Standard (English), Arthik Lipi (Bengali).
Any website, where displayed:	The results are displayed on the Company's website at <a href="https://arclorganics.com/">https://arclorganics.com/</a>
Whether it also displays official news releases:	Yes
Management's Discussions & Analysis forms part of this Annual Report:	Yes

## XIV. General Shareholders' Information

### (i) Annual General Meeting

Date: 21<sup>st</sup> June 2024

Time: 3:30 P.M.

Venue The Company is conducting AGM through VC / OAVM pursuant to the MCA Circular dated December 28, 2022 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

- (iii) Financial Year : April 01, 2023 to March 31, 2024
- (iv) Date of Book Closure : 15<sup>th</sup> June, 2024 to 21<sup>st</sup> June, 2024
- (v) Listing on Stock Exchange: Equity shares of the Company are listed on BSE Limited (BSE).
- (vi) Payment of Annual Listing Fees: The Annual Listing Fees for the Financial year 2023 - 2024 has been paid to BSE Limited (BSE).
- (vii) Scrip Code: 543993
- (viii) ISIN Number for NSDL / CDSL: INE372M01010
- (ix) Market Price Information

The following table gives the monthly high and low prices of the Equity shares traded at BSE during the Financial year 2023-2024.

Month	Volume Traded	High Price	Low Price
<b>Oct-23</b>	3	18.21	16.53
<b>Nov-23</b>	20	22.12	19.12
<b>Dec-23</b>	20	26.86	23.22
<b>Jan-24</b>	2805	28.2	33.29
<b>Feb-24</b>	551	35.64	33.95
<b>Mar-24</b>	253	43.31	37.42

(x) Registrar and Transfer Agents:

Name & Address : M/s. Link Intime India Pvt. Ltd.  
 C 101, Embassy 247, L. B. S. Marg, Vikhroli (West),  
 Mumbai – 400083

Telephone : (022) 4918-6000

Fax : (033) 2248-4787

E-mail : [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

(xi) Corporate Filing and Dissemination System (CFDS)

Companies are now required to upload the quarterly financial results under Corporate Filing and Dissemination System (CFDS). Your Company has been duly registered under the said system

and all data relating to the quarterly financial results along with corporate governance report and shareholding pattern are filed under the said system.

(xii) Share Transfer System

Shares lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 15 days.

(xiii) Shareholding as on March 31, 2024:

(a) Category of Shareholding as on March 31, 2024

Category of Shareholders	No. of Shares held	% of Capital
Bodies Corporate (Promoter Group)	1360546	17
Promoter	4176824	52.2
NBFC registered with RBI	13355	0.17
Financial Institution	59950	0.75
Resident Individual holding Nominal share Capital upto Rs. 200000	780355	9.75
Resident Individual holding Nominal share Capital in excess of Rs. 200000	109750	1.37
Bodies Corporate	1499220	18.74
<b>Total</b>	<b>80,00,000</b>	<b>100</b>

(b) Distribution of Shareholding as on March 31, 2024

No. of Shares held	No. of Shareholders	Total no. of Shares held
Upto 500	6492	523294
501-1,000	73	56020
1,001-2,000	41	59500
2,001-3,000	21	50986
3,001-4,000	4	12750
4,001-5,000	5	24025
5,001-10,000	6	35000
10,001 and Above	28	7238425
<b>Total</b>	<b>6670</b>	<b>8000000</b>

(xiv) Reconciliation of Share Capital Audit Report

Securities and Exchange Board of India vide circular no. CIR/MRD/DP/30/2010 dated September 6, 2010 directed all the issuer Companies to submit a Reconciliation of Share Capital Audit Report (Report) reconciling the total shares held in both the depositories viz., NSDL and CDSL and in Physical Form with the Total Issued /Paid Up Capital. The report replaced the earlier Secretarial Audit Report. The said report, duly certified by a Company Secretary in Practice is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

(xv) Policy on Insider Trading:

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. Further the same was amended vide SEBI Circular No. SEBI/LAD/NRO/GN/2018/59 dated December 31, 2018. Board of Directors has appointed Mr. Subhankar Paul, Company Secretary as the Compliance Officer under the Code, being responsible for complying with the procedures, monitoring adherence to the rules for preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Code, inter alia, prohibits purchase and / or sale of shares of the Company by an insider or by any other Company, while in possession of unpublished price sensitive information in relation to the Company during certain prohibited periods. The Code is available on the Company's website.

(xvi) Details of use of Public Fund obtained in the last three years:

No fund has been raised from the public during the last three years.

(xvii) Plant location:

The Company is engaged in the business of Specialty Chemical and the location of the plants are at its registered office.

(xviii) Investor Correspondence

<b>Any query relating to financial statements of the Company may be addressed to the Chief Financial Officer of the Company:</b>	<b>Investors' Correspondence may be addressed to the Compliance Officer of the Company:</b>
Mr. Navneet Bagri, Chief Financial Officer	Mr. Subhankar Paul, Company Secretary and Compliance Officer
Rampur Budge Budge Trunk Road Kolkata – 700 141 Telephone: (033) 2283 2865/ 2401 8042 E-mail: <a href="mailto:navneet.b@arcl.in">navneet.b@arcl.in</a>	Rampur Budge Budge Trunk Road Kolkata – 700 141 Telephone: (033) 2283 2865/ 2401 8042 E-mail: <a href="mailto:legal@arcl.in">legal@arcl.in</a>

(xix) Other Information

a) Compliance

Compliance Certificate on Corporate Governance from Auditors of the Company is annexed herewith.

b) Code of Conduct

In order to make the employees of the Company knowledgeable and committed to follow highest level of integrity and to outline the Company's value and principles and to set out the standards of the professional and ethical behavior expected of the employees in the organization, Board of Directors of your Company have laid down Code of Business Conduct and Ethics.

Affirmation of Compliance to the Code has been made by the Board Members and Senior Management of the Company.

(xx) **Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Details of Mr. Mukesh Mundhra, Director who has consented to be re-appointed as Director on retirement by rotation at the ensuing Annual General Meeting:

Mr. Mukesh Mundhra (DIN No.00658602), is a highly accomplished postgraduate from the prestigious University of California. With an extensive background spanning more than 20 years, he has amassed a wealth of experience in the Petrochemicals, Oil and Gas, and shipping industries, excelling in various facets of business and marketing. As a key figure in the organization, Mr. Mundhra assumes responsibility for critical areas such as business development, expansion, and spearheading new projects. Notably, he played a pivotal role in the success of ARCL by introducing the innovative Aqua Strong Bond, a product that garnered immense acclaim for the company. Heading the entire marketing team, Mr. Mukesh Mundhra's visionary leadership and strategic acumen have been instrumental in driving the overall growth and success of the Company. His exceptional abilities and vast expertise continue to shape the trajectory of the organization, making him an invaluable asset in the industry.

(xxi) **Details of total fees paid to Statutory Auditors**

The details of total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditor are as follows:

(Amount in Rs.)

Type of Service	Financial Year 2023-24
Statutory Audit Fees	4,50,000
<b>Total</b>	<b>4,50,000</b>

**(xxii) CFO Certification pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Certificate from Mr. Navneet Bagri, CFO, in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024 was placed before the Board of Directors of the Company in its meeting held on Friday 26<sup>th</sup> April, 2024.

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

**Registered. Office:  
Rampur Budge Budge Trunk Road  
Kolkata 700141**

**(Suraj Ratan Mundhra)  
CHAIRMAN AND MANAGING DIRECTOR  
(DIN NO. 00681223)**

*Annexure I*

***DECLARATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT  
[Regulation 34, read with Schedule V (D) of the SEBI (Listing Obligations and Disclosure  
Requirements) Regulations, 2015]***

This is to confirm that the Company has adopted a Code of Conduct for its Directors and Senior Management Personnel (“Code”) and that the same is available on the website of the Company, [www.arclorgancis.com](http://www.arclorgancis.com).

I hereby declare that all the Board Members and Senior Management Personnel have affirmed their compliance with the aforesaid Code for the Financial Year ended 31st March 2024.

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

**(Suraj Ratan Mundhra)  
Chairman & Managing Director  
DIN NO. 00681223**

**Registered Office  
Rampur Budge Budge Trunk Road,  
Kolkata – 700 141  
Date: 26.04.2024**

**CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)  
CERTIFICATION**

To  
The Board of Directors  
ARCL Organics Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of ARCL Organics Limited ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 and to the best of our knowledge and belief, we state that:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i) significant changes, if any, in the internal control over financial reporting during the year;
  - ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Date: 26.04.2024**  
**Place: Kolkata**

**Suraj Ratan Mundhra**  
**CEO & Managing Director**  
**(DIN: 00681223)**

**Navneet Bagri**  
**Chief Financial Officer**



PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE  
CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

**To**  
**The members**  
**ARCL Organics Limited**  
**Rampur, P.S. Maheshtala,**  
**Parganas South, Kolkata-700141**

I have examined the compliance of conditions of Corporate Governance by ARCL Organics Limited ("the Company") for the year ended on March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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.

In my opinion and to the best of my information and according to the explanations given to me, and representations made by the management, I certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

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

**FOR KSN & COMPANY**  
**COMPANY SECRETARIES**  
*(A Peer Reviewed Firm)*

**NAND KISHORE SHARMA**  
**MEM No: A32530 | COP No: 20657**  
**UDIN: A032530F000253181**  
**DATE: 26.04.2024**  
**PLACE: KOLKATA**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

**To**  
**The members**  
**ARCL Organics Limited**  
**Rampur, P.S. Maheshtala,**  
**Parganas South, Kolkata-700141**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ARCL Organics Limited** having **CIN U24121WB1992PLC056562** and having registered office at Rampur Budge Budge Trunk Road, Kolkata – 700 141 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No	Name of Director	DIN	Date of Appointment
1.	SURAJ RATAN MUNDHRA	00681223	02/05/2013
2.	MUKESH MUNDHRA	00658602	12/01/2010
3.	RAJESH MUNDHRA	00658649	26/02/2018
4.	AJAY KUMAR MIMANI	01944889	26/09/2018
5.	NILMANI RATHI	07842455	15/04/2019
6.	BRIJ MOHAN MOHTA	00923562	04/09/2023
7.	STUTI PITHISARIA	00532808	04/09/2023
8.	PRATEEK CHAUDHARY	10289292	04/09/2023

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

**FOR KSN & COMPANY**  
**COMPANY SECRETARIES**  
*(A Peer Reviewed Firm)*

**NAND KISHORE SHARMA**  
**MEM No: A32530 | COP No: 20657**  
**UDIN: A032530F000253278**  
**DATE: 26.04.2024**  
**PLACE: KOLKATA**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ARCL ORGANICS LIMITED  
Report on the Audit of the Standalone Financial Statements**

**Opinion**

1. We have audited the accompanying standalone financial statements of **ARCL Organics Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements for the year ended on that date including a summary of material accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit (including Other Comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

3. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexures to Board Report, Corporate Governance and Shareholders' Information but does not include the standalone financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.
4. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.
5. In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
6. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

**Management's Responsibility for the Standalone Financial Statements**

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
15. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 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, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 of the standalone financial statements.
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- c. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither proposed any dividend in the Previous year or in the current year nor paid any interim dividend during the year.
- f. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E

(Ranjan Singh)  
Partner  
Membership Number: 305423  
UDIN: 24305423BKEHUC9427

Place: Kolkata  
Date: 26.04.24

**ANNEXURE- A: TO THE INDEPENDENT AUDITOR'S REPORT  
To the Members of ARCL ORGANICS LIMITED**

[Referred to in paragraph 16 of the Auditors' Report of even date]

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and Equipment.  
(A)
- (a) The Company has maintained proper records showing full particulars of intangible assets.  
(B)
- (b) As explained to us, the company has a system of verifying all its major Property, Plant & Equipment over a period of three years. The Property, Plant & Equipment so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties produced to us, the immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us and the records of the company examined by us, the Company has not revalued any of its Property, Plant and Equipment or Intangible assets during the year.
- (e) According to the information and explanations given to us no proceeding has been initiated during the year or are pending against the Company as at March 31,2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us and the records of the company examined by us, quarterly statement of current assets in respect of its working capital borrowing are in agreement with the books of accounts of the company.
- (iii) (a) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not granted loans to subsidiaries companies during the year hence reporting under this clause is not applicable.  
(A)
- (b) The Company has granted unsecured loans to parties other than subsidiary companies, and the summarized detail of the same has been depicted in the following table.  
(B)

(Rs in lakhs)

Particulars	Loans
Aggregate amount granted/ provided during the year	105.00
Balance outstanding as at balance sheet date in respect of above cases.	250.00

- (b) The Company is charging interest against loans and the terms and conditions of these loans in our opinion are not prima-facie prejudicial to the interests of the Company.
- (c) There is no stipulation regarding recovery of loans as these loans are repayable on demand.

- (d) The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.
- (e) Since all the above loans are repayable on demand, reporting under this clause is not applicable.
- (f) According to information and explanation given to us and records of the Company examined by us, the details of loans given during the year that are repayable on demand are as per details

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans Repayable on demand (A)  Agreement does not specify any terms or period of repayment (B)	105.00		
Total (A+B)	105.00	Nil	Nil
Percentage of Loans	100%		

- (iv) According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Further, no orders have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal which could impact the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out any detailed examination of such records and accounts.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of customs, cess and any other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, value added tax and sales tax as at 31<sup>st</sup> March, 2024 which has not been deposited on account of a dispute are as follows-

Name of the statute	Nature	Amount	Period to which the amount relates	Forum where the dispute is pending
		(Rs. in lakhs)		
Income tax Act, 1961	Income Tax	640.78	01.04.1988 to 25.08.1998	High Court Kolkata
Municipal Act 1993	Property Tax	423.73	2000-01 to 31.03.23	High Court Kolkata
Income tax Act, 1961	Income Tax	316.97	2008-09 to 2014-15	Commissioner (Appeal)
Central Excise Act, 1944 and Finance Act, 1994	Excise Duty, Service Tax*	17.685	Various years from 2003-04	Commissioner (Appeal)



Central Excise Act,1944 and Finance Act,1994	Excise Duty, Service Tax*	315.34	2007-08	Central Excise and Service Tax Appellate Tribunal
West Bengal Sales Tax Act,1941	Sales Tax	115.42	Various years from 1995-96 to 1999-2000	Taxation Revisional Board/Deputy Commissioner of Commercial Tax
		137.04	Various years from 2005-06 to 2011-12	Joint Commissioner/Sr. Joint Commissioner/Assistance Commissioner of Sales Tax

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or in the payment of interest to lenders during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, hence reporting under this clause is not applicable.
- (f) According to the information and explanation given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, hence reporting under this clause is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under this clause is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received any complaints from any whistle-blower during the year (and up to the date of this report) and hence reporting under this clause is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under this clause is not applicable.

- (xiii) According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 29(b) of the standalone financial statements for the year under audit.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a) & (b) is not applicable.
- (b)
- (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under this clause is not applicable.
- (xvii) The Company has not incurred cash losses during the current and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) & (b) According to information and explanation given to us and records of the Company examined by us, there is no fund lying unspent, hence reporting under clause 3(XX)(a) & (b) is not applicable.
- (xxi) According to the explanation and information given to us, and based on reports of components auditor, there has been no qualification or adverse report in CARO 2020 in any subsidiaries.

For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E

(Ranjan Singh)  
Partner  
Membership Number: 305423  
**UDIN: 24305423BKEHUC9427**

Place: Kolkata  
Date: 26.04.2024

**ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT  
To the Members of ARCL ORGANICS LIMITED**

[Referred to in paragraph 17 (f) of the Independent Auditor's Report of even date]

**Report on the Internal Financial Control under Clause (i) of Sub-sections 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of **ARCL ORGANICS LIMITED** ("the Company") as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

2. The Company's management is responsible for establishing and maintaining internal financial control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

3. 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" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. 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.
4. 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 includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material Weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. 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 Control over Financial Reporting**

6. 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 the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - 2) provide reasonable assurance that the 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 authorization of management and directors of company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Control over Financial Reporting**

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control 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**

8. In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, 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 Control Over Financial Reporting, issued by ICAI.

For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E

(Ranjan Singh)  
Partner  
Membership Number: 305423  
**UDIN:** 24305423BKEHUC9427

Place: Kolkata  
Date: 26.04.24

(₹ in Lakhs)

**STANDALONE BALANCE SHEET AS ON 31ST MARCH 2024**

Particulars	Note No.	31st March 2024	31st March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	6192.93	4528.05
Right of Use	2	27.78	17.20
Financial Assets			
(i) Investments	3	126.59	125.03
(ii) Other financial Assets	4	70.87	67.43
<b>Total Non - Current Assets</b>		<b>6418.17</b>	<b>4737.70</b>
<b>Current assets</b>			
Inventories	6	2211.66	1255.39
Financial Assets			
(i) Trade receivables	7	3414.82	3191.39
(ii) Cash and cash equivalents	8	332.39	143.37
(iii) Other Bank Balances	9	701.66	690.33
(iv) Loans	10	282.82	188.69
(v) Other Financial Assets	4	36.23	7.31
Other current assets	12	1438.80	1068.94
<b>Total Current Assets</b>		<b>8418.37</b>	<b>6545.42</b>
<b>Total Assets</b>		<b>14836.53</b>	<b>11283.12</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	800.00	800.00
Other Equity	14	5628.40	4562.90
<b>Total equity</b>		<b>6428.40</b>	<b>5362.90</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	15	1774.46	1034.25
(ia) Lease Liabilities		9.49	9.23
Provisions	17	219.01	240.80
Deferred Tax Liabilities (Net)	5	332.28	332.59
<b>Total non-current liabilities</b>		<b>2335.25</b>	<b>1616.86</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	15	1112.58	978.68
(ia) Lease Liabilities		19.24	9.70
(ii) Trade payables	18	-	-
Outstanding dues to Micro and Small enterprises		-	-
Outstanding dues to parties other than Micro and Small enterprises		4201.93	2742.10
(iii) Other financial liabilities	16	224.78	149.92
Provisions	17	188.81	88.47
Other current liabilities	19	67.67	208.13
Current Tax Liability Net	11	257.87	126.37
<b>Total Current Liabilities</b>		<b>6072.88</b>	<b>4303.37</b>
<b>Total liabilities</b>		<b>8408.13</b>	<b>5920.23</b>
<b>Total Equity &amp; Liabilities</b>		<b>14836.53</b>	<b>11283.12</b>
<b>Significant accounting policies</b>	1		
<b>Additional notes to financial statements</b>	27- 50		

The above balance sheet should be read in conjunction with the accompanying notes  
 In terms of our report of even date

For and on behalf of the Board

For L B Jha & Co  
 Chartered Accountants  
 (Firm registration no. 301088E)

Suraj Ratan Mundhra  
 Managing Director  
 DIN-00681223

Mukesh Mundhra  
 Director  
 DIN-00658602

Partner Ranjan Singh  
 (Membership no. 305423)

Place: Kolkata

Navneet Bagri  
 Chief Financial Officer

Subhankar Paul  
 Company Secretary  
 Membership No. A63772

Date: 26/04/2024

(₹ in Lakhs)

<b>STATEMENT OF PROFIT AND LOSS AS ON 31ST MARCH 2024</b>			
Particulars	Notes	31st March 2024	31st March 2023
<b>I. Revenue from operations</b>	20	19072.39	16505.92
<b>II. Other income</b>	21	269.62	343.36
<b>III. Total Revenue (I + II)</b>		<b>19342.01</b>	<b>16849.27</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	22	13833.41	12145.42
Changes in inventories of work-in-progress, stock-in-trade and finished goods	23	87.89	-149.94
Employee benefit expense	24	981.63	952.19
Finance costs	25	415.90	193.88
Depreciation and amortization expense	2	429.13	266.66
Other expenses	26	2212.80	1761.00
<b>Total expenses</b>		<b>17960.76</b>	<b>15169.21</b>
<b>V. Profit before tax (III - IV)</b>		<b>1381.25</b>	<b>1680.06</b>
Income tax expenses			
- Current tax		311.39	334.46
- MAT Credit			
- Deferred tax		-31	167.97
<b>Total tax expense</b>		<b>311.08</b>	<b>502.43</b>
<b>Profit after tax</b>		<b>1070.17</b>	<b>1177.63</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
(a) Remeasurements Gains/(Losses) on Defined Benefit Plan		-6.22	1.93
(b) Gains/(Losses) on fair valuation of Equity Instruments		1.56	.94
<b>Other comprehensive income for the year, net of tax</b>		<b>-4.66</b>	<b>2.87</b>
<b>Total comprehensive income for the year</b>		<b>1065.51</b>	<b>1180.50</b>
<b>Earnings per equity share attributable to owners of ARCL Organics Limited:</b>			
<b>Basic earnings per share</b>		<b>13.38</b>	<b>14.72</b>
<b>Diluted earnings per share</b>		<b>13.38</b>	<b>14.72</b>
Summary of Significant Accounting Policies	1		
Additional notes to financial statements	27- 50		
In terms of our report of even date			
		<b>For and on behalf of the Board</b>	
<b>For L B Jha &amp; Co</b>		<b>Suraj Ratan Mundhra</b>	<b>Mukesh Mundhra</b>
Chartered Accountants		Managing Director	Director
(Firm registration no. 301088E)		DIN-00681223	DIN-00658602
Partner Ranjan Singh			
(Membership no. 305423)			
Place: Kolkata		<b>Navneet Bagri</b>	<b>Subhankar Paul</b>
Date: 26/04/2024		Chief Financial Officer	Company Secretary
			Membership No.- A63772

(₹ in Lakhs)

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024</b>					
		<b>31st March 2024</b>		<b>31st March 2023</b>	
<b>A.</b>	<b>Cash Flow from Operating Activities</b>				
	Net profit before tax as per Statement of Profit and Loss		<b>1381.25</b>		<b>1680.06</b>
	<b>Adjustments for:</b>				
	Depreciation on Tangible Assets	429.13		266.66	
	Interest Income	-75.46		-42.77	
	Interest Expense	327.99		171.34	
	Actuarial Gain /loss transferred to OCI	-4.66		2.87	
			<b>677.00</b>		<b>398.10</b>
	<b>Operating Profit Before Working Capital Changes</b>		<b>2058.25</b>		<b>2078.16</b>
	Increase / (Decrease) in Trade Payables	1459.84		252.48	
	Increase / (Decrease) in Other Current Liabilities	-140.45		94.08	
	Increase / (Decrease) in Short Term Provisions	100.34		1.29	
	Increase / (Decrease) in Long Term Provisions	-21.78		11.64	
	Increase / (Decrease) in Other Current financial Liabilities	74.86		14.90	
	Increase / (Decrease) in Other Non-Current Financial Liabilities	.00		-200.00	
	(Increase) / Decrease in Other Bank balances	-11.32		37.86	
	(Increase) / Decrease in Trade receivables	-223.42		-36.89	
	(Increase) / Decrease in Inventories	-956.27		-35.20	
	(Increase) / Decrease in Loans and Advances	-94.13		-133.40	
	(Increase) / Decrease in Other Current Assets	-549.74		148.44	
	(Increase) / Decrease in Other Current Financial Assets	-28.92		.02	
	(Increase) / Decrease in Other Non-Current Financial Assets	-3.44		-32.80	
	(Increase) / Decrease in Long Term Loans & Advances	-	-394.45	-	122.43
	<b>Cash generated from operations</b>		<b>1663.80</b>		<b>2200.58</b>
	Taxes paid (Net of refunds)				150.00
	<b>Net cash Generated/(used) from operating activities (A)</b>		<b>1663.80</b>		<b>2050.58</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>				
	Purchase of fixed assets	-2104.59		-2217.63	
	Disposal of Fixed Assets	-		-	
	Investments in Subsidiaries	-1.56		-.94	
	Interest Received	75.46		42.77	
	<b>Net cash from investing activities (B)</b>		<b>-2030.70</b>		<b>-2175.80</b>
<b>C.</b>	<b>Cash flow From Financing Activities</b>				
	Proceeds from short - term borrowings	143.43		-104.52	
	Proceeds/(Repayment) from long - term borrowings	740.48		535.88	
	Interest Paid	-327.99	555.92	-171.34	260.02
	<b>Net cash used for financing activities (C)</b>		<b>555.92</b>		<b>260.02</b>
	Net Increase/(decrease in cash and cash equivalents (A+B+C))		<b>189.03</b>		<b>134.80</b>
	Cash and Cash equivalent at the beginning of the year		143.37		8.56
	Cash and Cash equivalent at the end of the year		332.39		143.37
	Changes in Cash and Cash Equivalents - Increase/(Decrease)		<b>-189.03</b>		<b>-134.80</b>

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

 For **L B Jha & Co**  
 Chartered Accountants  
 (Firm registration no. 301088E)

**Suraj Ratan Mundhra**  
 Managing Director  
 DIN-00681223

**Mukesh Mundhra**  
 Director  
 DIN-00658602

Partner Ranjan Singh

**Navneet Bagri**  
 Chief Financial Officer

**Subhankar Paul**  
 Company Secretary

 (Membership no. 305423)  
 Place: Kolkata  
 Date: 26/04/2024

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 2024**

<b>A. Equity Share Capital</b>		
	<b>Note</b>	<b>(₹ in Lakhs)</b>
<b>As at 1 April 2022</b>	<b>13</b>	<b>800.00</b>
Changes in equity share capital		-
<b>As at 31 March 2023</b>		<b>800.00</b>
Changes in equity share capital		-
<b>As at 31 March 2024</b>		<b>800.00</b>

<b>B. Other Equity</b>							
	<b>Note</b>	<b>Securities Premium Reserve</b>	<b>Retained earnings</b>	<b>Other Comprehensive Income</b>		<b>Total other equity</b>	
				<b>Remeasurements of the defined benefit plans</b>	<b>Fair valuation of Equity Instrument</b>		
<b>Balance at 31 March 2022</b>	<b>14</b>	<b>1122.50</b>	<b>2324.63</b>	<b>-63.72</b>	<b>-1.01</b>	<b>3382.40</b>	
Profit for the year			1177.63	-	-	<b>1177.63</b>	
Other comprehensive income				1.93	.94	<b>2.87</b>	
<b>Total comprehensive income for the year</b>				<b>1177.63</b>	<b>1.93</b>	<b>.94</b>	<b>1180.50</b>
<b>Balance at 31 March 2023</b>			<b>1122.50</b>	<b>3502.26</b>	<b>-61.80</b>	<b>-.07</b>	<b>4562.90</b>
Profit for the year				1070.17	-	-	<b>1070.17</b>
Other comprehensive income					-6.22	1.56	<b>-4.66</b>
<b>Total comprehensive income for the year</b>				<b>1070.17</b>	<b>-6.22</b>	<b>1.56</b>	<b>1065.51</b>
<b>Balance at 31 March 2024</b>			<b>1122.50</b>	<b>4572.43</b>	<b>-68.02</b>	<b>1.49</b>	<b>5628.40</b>

**For L B Jha & Co**

 Chartered Accountants  
 (Firm registration no. 301088E)

 Partner Ranjan Singh  
 (Membership no. 305423)  
 Place: Kolkata

Date: 26/04/2024



## **NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

### **Note 1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions**

#### **A. Corporate information**

**ARCL Organics Ltd** was incorporated on 8th September 1992. It is a public limited company having its registered office at Rampur, Budge Budge Trunk Road, Kolkata- 700141, West Bengal. The Company is engaged in the business of manufacturing and selling of chemical-based products, Resins, Additives, Hardeners, and specialized One-Shot Resins. Over the years, ARCL has broadened its product range and is having an integrated & computerized fully automated petrochemical complex. The Company caters to both the domestic and export market.

Today along with a wide range of Resins & Additives, Hardeners, and specialized One-Shot Resins, ARCL has the expertise to offer tailor-made solutions as per its client's requirements.

#### **B. Material accounting policies**

##### **1. Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind AS), as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the act.

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS. Fair Value is the price that would be received to sell an asset or paid to transfer of liabilities in an orderly transaction between market participants at the measurement date.

Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The Ind AS financial statements are presented in INR which is the Company's functional and presentation currency and all values are rounded to the nearest lakhs, except when otherwise indicated. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **2. Use of estimates**

The preparation of the Financial Statements in conformity with IND AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

##### **Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### **Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each year.

### **3. Current and Non-current Classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **4. Property, Plant and Equipment (PPE)**

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Freehold land is carried at its historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Any subsequent costs are included in the assets carrying amount or recognized 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. All other repairs and maintenance are recognized in profit or loss as incurred.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the assets ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the assets is ready for its intended use.

### **5. Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The assets residual values, useful life and method of depreciation are reviewed and adjusted if appropriate, at the end of each reporting period.

### **6. Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if,

and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

#### **7. Investment in subsidiaries, associates and joint ventures**

Investments in subsidiaries are accounted at cost in the financial statements.

#### **8. Cash and Bank Balances**

**Cash and bank balances consist of:**

**(i) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprises of cash in hand and at bank, bank deposits and also short term deposits with an original maturity of three months or less, which is subject to an insignificant risk of change in value. These balances with banks are unrestricted for withdrawal and usage.

**(ii) Other bank balances**

These include balances and deposits with banks that are restricted for withdrawal and usage.

#### **9. Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. Cost of inventories includes all the cost that are incurred in bringing the inventories to their present condition and location. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

#### **10. Financial Instruments**

##### **Financial Asset Initial Recognition**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition.

##### **Subsequent Measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

##### **Financial Asset at Fair value through Profit or Loss**

Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.

##### **Financial Asset measured at Amortized Cost**

Loans, receivables and cash are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

##### **Financial Asset at Fair value through OCI**

All equity investments, except investments in subsidiaries falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

##### **Financial Asset Derecognition**

The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the

asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

### **Financial Liabilities – Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost, loans and borrowings, or as payables, as appropriate.

### **Subsequent Measurement**

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

Interest bearing borrowings, trade payables and other payables issued by the company are subsequently measured at amortized cost.

### **Measurement of Fair Values**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

### **Trade Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. These amounts are secured and unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Also, the segregation has been made for the micro, small and medium enterprises creditors.

## **11. Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## **12. Borrowings**

Borrowings are recognized at fair value. They are classified as current liabilities unless the company has the right to defer the settlement of the liability for at least 12 months after the reporting period. Borrowings are removed from the balance sheet when the obligations is discharged, cancelled or expired.

## **13. Provisions and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an out flow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a Contingent Liability is made when there is a possible obligation from a past event but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company

#### 14. Revenue Recognition

In accordance with Ind AS 115 “Revenue from Contracts with customers”, Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

**(i) Sale of Goods**

Revenue from the sale of goods is recognized when the Company satisfies the performance obligation in accordance with the provisions of contract with customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolesce and loss pass to the customer and Company has present right to payment. The Company collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

**(ii) Interest Income**

Interest Income is recognized based on time proportion basis considering the amount outstanding and the rate applicable. Interest Income is included in the Other Income in the statement of Profit and Loss.

#### 15. Income Tax

**(i) Current Income Tax**

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

**(ii) Deferred Tax**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amount for the financial reporting purposes at the reporting date. Deferred Tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Current and deferred tax is recognized in the statement of Profit and Loss, except to the extent that it relates to the items recognized in the other comprehensive income or directly in equity.

#### 16. Employee benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions

**(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 recognized in respect of employees services upto the end of reporting and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Long term obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured at the present value of expected future payments to be made in respect of services made by employees upto the end of the reporting period. The benefits are discounted using the government securities at the end of reporting period.

**(iii) Post employment obligations - Gratuity**

The liability or asset recognized 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 the plan assets. The present value of the 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 the term approximating to the terms of the related obligations.

**17. Earnings per Share**

Basic earnings per share are computed by dividing the profit for the year attributable to the equity shareholders for the year by the weighted average number of shares outstanding during the year.

**18. Cash Flow**

The investing and financing activities in cash flow statement do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The company has disclosed these transactions, to the extent, material in notes to cash flow statement.

**19. Segment Reporting**

The Company has identified that its operating activity is a single primary business segment. Accordingly, whole of India has been considered as one geographical segment. Hence, segment reporting is not applicable.

**20. Foreign Currencies**

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates (i.e. INR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss.

**21. Research and Development**

Research and Development expenditures of revenue nature are charged to Profit & Loss Account, while capital expenditure is added to the cost of fixed assets in the year in which these are incurred.

**22. Lease**

**a. Where the Company is the lessee**

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

Fixed payments, including in-substance fixed payments;

Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

Amounts expected to be payable under a residual value guarantee; and  
The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**b. Where the Company is the lessor**

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of Profit & Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of Profit & Loss.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.

**23. Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

**24. Standard notified but not yet effective:**

**There are no new standards that are notified but not yet effective up to the date of issuance of the company's financial statement.**

**NOTE 2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN PROGRESS**

Particulars	Closing gross carrying amount as on 01.04.2023	Additions	Disposals	Closing gross carrying amount as on 31.03.2024	Closing accumulated depreciation as on 01.04.2023	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2024	Net carrying amount as at 31.03.2024
Freehold Land	485.36	-	-	485.36	-	-	-	-	485.36
Buildings	373.27	85.92	-	459.19	69.73	12.22	-	81.95	377.24
Office Building	2.87	-	-	2.87	.27	.05	-	.33	2.54
Furniture and Fixtures	88.70	29.90	-	118.61	25.25	8.50	-	33.74	84.86
Car	152.91	-	-	152.91	57.25	18.98	-	76.23	76.68
Tanker	381.86	240.14	-	622.00	125.21	63.26	-	188.47	433.53
Electric Installation	82.46	11.72	-	94.18	10.03	8.20	-	18.23	75.95
Air Conditioner	9.81	5.88	-	15.68	3.96	1.99	-	5.96	9.73
Computer	30.01	15.77	-	45.77	18.12	6.45	-	24.57	21.20
Software	57.92	-	-	57.92	9.13	18.47	-	27.60	30.32
Office Equipment	16.78	12.38	-	29.16	5.30	3.95	-	9.26	19.90
Plant & Machinery	3683.83	1673.38	-	5357.21	596.76	265.82	-	862.58	4494.45
R&D Equipment	89.69	3.81	-	93.51	6.40	5.94	-	12.34	81.17
<b>Total</b>	<b>5455.46</b>	<b>2078.90</b>	<b>-</b>	<b>7534.36</b>	<b>927.41</b>	<b>413.84</b>	<b>-</b>	<b>1341.25</b>	<b>6192.93</b>
Ind-As 116	38.69	25.87	-	64.56	21.49	15.29	-	36.78	27.78
<b>Total</b>	<b>5494.15</b>	<b>2104.77</b>	<b>-</b>	<b>7598.92</b>	<b>948.90</b>	<b>429.13</b>	<b>-</b>	<b>1378.03</b>	<b>6220.71</b>

Particulars	Gross carrying amount as on 01.04.2022	Additions	Disposals	Closing gross carrying amount as on 31.03.2023	Accumulated depreciation as on 01.04.2022	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2023	Net carrying amount as at 31.03.2023
Freehold Land	485.36	-	-	485.36	-	-	-	-	485.36
Buildings	214.46	158.81	-	373.27	57.83	11.90	-	69.73	303.55
Office Building	2.87	-	-	2.87	.22	.05	-	.27	2.60
Furniture and Fixtures	67.07	21.63	-	88.70	18.92	6.33	-	25.25	63.46
Car	152.91	.00	-	152.91	30.27	26.98	-	57.25	95.66
Tanker	156.80	225.06	-	381.86	80.25	44.96	-	125.21	256.65
Electric Installation	38.34	44.11	-	82.46	4.38	5.65	-	10.03	72.43
Air Conditioner	5.18	4.62	-	9.81	2.43	1.54	-	3.96	5.84
Computer	24.03	5.97	-	30.01	13.68	4.44	-	18.12	11.89
Software	1.12	56.80	-	57.92	.40	8.73	-	9.13	48.79
Office Equipment	7.91	8.87	-	16.78	3.49	1.81	-	5.30	11.47
Plant & Machinery	2018.33	1665.50	-	3683.83	457.00	139.76	-	596.76	3087.07
R&D Equipment	63.45	26.24	-	89.69	1.51	4.89	-	6.40	83.29
<b>Total</b>	<b>3237.83</b>	<b>2217.63</b>	<b>-</b>	<b>5455.46</b>	<b>670.38</b>	<b>257.03</b>	<b>-</b>	<b>927.41</b>	<b>4528.05</b>
Ind-As 116	38.69	-	-	38.69	11.86	9.63	-	21.49	17.20
<b>Total</b>	<b>3276.53</b>	<b>2217.63</b>	<b>-</b>	<b>5494.15</b>	<b>682.24</b>	<b>266.66</b>	<b>-</b>	<b>948.90</b>	<b>4545.25</b>



(₹ in Lakhs)

**NOTE 3 INVESTMENTS**

Particulars	31st March 2024	31st March 2023
<b>Non - Current Investments</b>		
<b>Investment in Equity Instruments</b>		
<b>(A) Investment in Subsidiaries - Unquoted (at Cost)</b>		
<b>(i) ARCL Petrochemicals Ltd</b>	19.56	19.56
194338 shares (31/03/2023- 194338) shares of Rs. 10 each		
<b>(ii) Ocilim Advisory Services Pvt Ltd</b>	15.14	15.14
154343 shares (31/03/2023- 154343) shares of Rs. 10 each		
<b>(iii) Wide Range Merchants Pvt Ltd</b>	20.45	20.45
216843 shares (31/03/2023- 216843) shares of Rs. 10 each		
<b>(iv) Allied Maritime &amp; Infra Engineering Pvt Ltd</b>	20.80	20.80
194343 shares (31/03/2023- 194343) shares of Rs. 10 each		
<b>(v) Nocnex Chemicals Pvt Ltd</b>	15.43	15.43
154343 shares (31/03/2023- 154343) shares of Rs. 10 each		
<b>(vi) Yocnex Chemicals Pvt Ltd</b>	15.43	15.43
154343 shares (31/03/2023- 154343) shares of Rs. 10 each		
<b>(vii) Sukses Chemicals Pvt Ltd</b>	15.43	15.43
154343 shares (31/03/2023- 154343) shares of Rs. 10 each		
	<b>122.26</b>	<b>122.26</b>
<b>(B) Investment in Others - Quoted* (FVTOCI)</b>		
Bank of Baroda		
1640 Equity shares (31/03/2024- 1640)	4.33	2.77
	<b>4.33</b>	<b>2.77</b>
<b>Total (A+B)</b>	<b>126.59</b>	<b>125.03</b>

**NOTE 4 OTHER FINANCIAL ASSETS**

Particulars	31st March 2024	31st March 2023
<b>Non-Current</b>		
Security Deposit with CESC	70.87	67.43
<b>Total</b>	<b>70.87</b>	<b>67.43</b>
<b>Current</b>		
Security Deposits	36.23	7.31
<b>Total</b>	<b>36.23</b>	<b>7.31</b>

**NOTE 5 DEFERRED TAX LIABILITY (NET)**

Particulars	31st March 2024	31st March 2023
<b>Deferred Tax Assets:</b>		
<b>Timing difference on account of:</b>		
Defined benefit obligations	88.27	79.25
<b>Deferred Tax Assets (A)</b>	<b>88.27</b>	<b>79.25</b>
<b>Less: Deferred Tax Liabilities</b>		
<b>Timing difference on account of:</b>		
Property, plant and equipment	-420.55	-411.84
<b>Deferred Tax Liabilities (B)</b>	<b>-420.55</b>	<b>-411.84</b>
<b>Deferred Tax Asset (Net)</b>	<b>-332.28</b>	<b>-332.59</b>

**NOTE 6 INVENTORIES (valued at lower of cost and net realizable value) \***

Particulars	31st March 2024	31st March 2023
Raw Materials	1132.46	158.67
Finished goods	846.39	934.28
Stores and spares	232.81	162.44
<b>Total</b>	<b>2211.66</b>	<b>1255.39</b>

\*As taken, valued and certified by the management

**NOTE 7 TRADE RECEIVABLES**

Particulars	31st March 2024	31st March 2023
Considered Good- Secured	-	-
Considered Good- Unsecured	3414.82	3191.39
Considered Good- Doubtful	.00	.00
<b>Total</b>	<b>3414.82</b>	<b>3191.39</b>

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3141.67	72.57	35.23	33.53	131.83	3414.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables – considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						

**NOTE 7 TRADE RECEIVABLES (CONT.)**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					31.03.2023
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2724.84	19.79	58.70	67.80	320.25	3191.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables – considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						

# Ageing is considered from the date of transaction

**NOTE 8 CASH AND CASH EQUIVALENTS**

Particulars	31st March 2024	31st March 2023
(a) Balances with banks		
(i) In Current Account	320.92	138.00
(b) Cash on hand	11.48	5.37
<b>Total Cash and Cash Equivalents</b>	<b>332.39</b>	<b>143.37</b>

**NOTE 9 OTHER BANK BALANCES**

Particulars	31st March 2024	31st March 2023
Earmarked Balances		
-Margin Money (For LC & BG)	140.38	168.17
Other Deposit Account (For Collateral Security)	561.27	522.16
-Deposit accounts with maturity beyond three months upto twelve months	-	-
<b>Total</b>	<b>701.66</b>	<b>690.33</b>

**NOTE 10 LOANS**

Particulars	31st March 2024	31st March 2023
<b>Non-Current</b>		
Loan to Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
Loan to Others	282.82	188.69
Loan to Related Party	-	-
<b>Total</b>	<b>282.82</b>	<b>188.69</b>

**NOTE 11 CURRENT TAX ASSETS**

Particulars	31st March 2024	31st March 2023
<b>Non-Current</b>		
Advance tax including TDS & MAT Credit	486.26	340.93
Less: Prov. For Income Tax	-744.13	-467.30
<b>Total</b>	<b>-257.87</b>	<b>-126.37</b>

(₹ in Lakhs)

**NOTE 12 OTHER CURRENT ASSETS**

Particulars	31st March 2024	31st March 2023
<b>(i) Advances other than Capital Advances</b>		
<b>Advance to Creditors</b>	327.86	250.88
Other Receivables	214.68	32.98
Paid for NCLT purchase of RCHEM Pvt Ltd. (Ref: Note - 40B)	311.25	311.25
	<b>853.79</b>	<b>595.11</b>
<b>(ii) Others</b>		
CENVAT/ Service Tax/ Sales Tax recoverable	101.37	98.53
GST Input (net of Output)	483.64	375.31
	585.00	473.84
<b>Total</b>	<b>1438.80</b>	<b>1068.94</b>

**NOTE 13 SHARE CAPITAL**

	31st March 2024		31st March 2023	
	Number	Amount (₹)	Number	Amount (₹)
<b>Authorized</b>				
Equity shares of Rs.10 each	33,750,000	337,500,000	33,750,000	337,500,000
		<b>337,500,000</b>		<b>337,500,000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
Equity shares of Rs.10 each	8,000,000	80,000,000	8,000,000	80,000,000
		<b>80,000,000</b>		<b>80,000,000</b>

**Details of the Shareholders holding more than 5% of Equity Shares of the Company**

Name of Shareholder	31st March 2024		31st March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SUSHILA DEVI MUNDHRA	1,031,175	12.89	1,031,175	12.89
SURAJ RATAN MUNDHRA	791,627	9.90	791,627	9.90
SURAJ RATAN MUNDHRA HUF	670,005	8.38	670,005	8.38
ARC HOLDINGS LTD	1,223,380	15.29	1,223,380	15.29
MUKESH MUNDHRA	700,759	8.76	700,759	8.76

\* No Shares were either issued otherwise than for payment being received in cash or brought back or allotted as fully paid up bonus shares in the preceding five years from the date of this balance sheet.

(₹ in Lakhs)

**PROMOTERS SHAREHOLDING**

Name of Promoter	31st March 2024		% Change during the year	31st March 2023	
	No. of Shares held	% of Holding		No. of Shares held	% of Holding
Sushila Devi Mundhra	1031175	12.89	-	1031175	12.89
Suraj Ratan Mundhra	791627	9.90	-	791627	9.90
Mukesh Mundhra	700759	8.76	-	700759	8.76
Rajesh Mundhra	345840	4.32	-	345840	4.32
Suraj Ratan Mundhra HUF	670005	8.38	-	670005	8.38
Kapila Mundhra	292331	3.65	-	292331	3.65
Vasundhra Mundhra	308047	3.85	-	308047	3.85
Ajay Kumar Mimani	37040	0.46	-	37040	0.46
ARC Holdings Limited	1223380	15.29	-	1223380	15.29
PBC Carriers Private Limited	137166	1.71	-	137166	1.71
<b>TOTAL</b>			-		

Reconciliation of shares outstanding at the beginning of the year and at the end of the reporting period.

**EQUITY SHARES**

	31st March 2024		31st March 2023	
	Number	Amount (₹)	Number	Amount (₹)
At the beginning of the period	8,000,000	80,000,000	8,000,000	80,000,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>8,000,000</b>	<b>80,000,000</b>	<b>8,000,000</b>	<b>80,000,000</b>

Rights, preferences and restrictions attached to shares both Equity Shares &amp; Preference Shares

Equity Shares: The company has one class of equity shares having a par value of Rs.10/-per share. Each shareholder is eligible for one vote per share held and rank pari passu.

**NOTE 14 OTHER EQUITY**

Particulars	31st March 2024	31st March 2023
General Reserve	-	-
Securities Premium Reserve	1122.50	1122.50
Retained earnings	4572.43	3502.26
Other comprehensive income	-66.53	-61.80
<b>TOTAL</b>	<b>5628.40</b>	<b>4562.96</b>

**NOTE 15 BORROWINGS**

Particulars	31st March 2024	31st March 2023
<b>Non - Current</b>		
<b>Secured</b>		
Vehicle loan from Bank (Hypothecation of Vehicle) <sup>(1)</sup>	359.92	223.82
	359.92	223.82
<b>Unsecured</b>		
Loan from Body Corporate	915.52	315.08
Loan from Others	267.78	179.80
Loan from Other Bank	231.24	315.54
	1,414.54	810.42
<b>Total</b>	<b>1,774.46</b>	<b>1,034.25</b>
<b>Current</b>		
<b>Secured</b>		
Other loans from banks		
Fund Based - Cash Credit <sup>(2)</sup>	309.62	535.91
Current Maturity of Long term Debt	134.88	94.43
<b>Unsecured</b>		
Loan from NBFC	386.63	156.83
Loan from Other Bank	281.45	191.52
<b>Total</b>	<b>1112.58</b>	<b>978.68</b>

(1) EMI amounting to Rs 62504/-per installment per truck for 4 truck payable in 65 installments of which 55 installments have been paid.

(1) EMI amounting to Rs 18731/-per instalments of Car payable in 60 instalments of which 37 instalments has been paid.

(1) EMI amounting to Rs 9619/-per instalments of Car payable in 60 instalments of which 36 instalments has been paid.

(1) EMI amounting to Rs 14769/-per instalments of Car payable in 48 instalments of which 16 instalments has been paid.

(1) EMI amounting to Rs 26058/-per instalments of Car payable in 60 instalments of which 19 instalments has been paid.

(1) EMI amounting to Rs 32465/-per instalments of Car payable in 48 instalments of which 23 instalments has been paid.

(1) EMI amounting to Rs 35033/-per instalments of Car payable in 60 instalments of which 14 instalments has been paid.

(1) EMI amounting to Rs 42581/-per instalments of Car payable in 60 instalments of which 22 instalments has been paid.

'(2) Secured by Hypothecation of Raw Material, Work in Progress, Finished Goods, Consumable Spares, Book Debts, Book Debts.

Common Collateral immovable property, Plant & Machinery at Rampur (Budge Budge), Personal Guarantee of Ajay Kumar Mimani, Mukesh Mundhra, Vijay Mimani, Suraj Ratan Mundhra. and Exclusive charges on FD of Rs 4.75Cr. along with accrued interest thereon.

(₹ in Lakhs)

**NOTE 16 OTHER FINANCIAL LIABILITIES**

Particulars	31st March 2024	31st March 2023
<b>Non - Current</b>		
Advance against Development	-	-
	-	-
<b>Current</b>		
Sundry liabilities for expense	224.78	149.92
	<b>224.78</b>	<b>149.92</b>
<b>Total</b>	<b>224.78</b>	<b>149.92</b>

**NOTE 17 PROVISIONS**

Particulars	31st March 2024	31st March 2023
<b>Non - Current</b>		
Provision for Employee Benefits		
(a) Provision for Leave Encashment	33.87	30.76
(b) Provision for Gratuity	185.14	210.04
<b>Total</b>	<b>219.01</b>	<b>240.80</b>
<b>Current</b>		
(a) Provision for Employee Benefits	104.71	57.11
(b) Provision for Gratuity	71.29	26.08
(c) Provision for Leave Encashment	12.81	5.27
<b>Total</b>	<b>188.81</b>	<b>88.47</b>

**NOTE 18 TRADE PAYABLES**

(₹ in Lakhs)

Particulars	(v) Disputed Trade Receivables – which have significant increase in credit risk	31st March 2023
Outstanding dues to Micro and Small enterprises	-	-
Outstanding dues to parties other than Micro and Small enterprises	4201.93	2742.10
*Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company.		
<b>Total</b>	<b>4201.93</b>	<b>2742.10</b>

Particulars	Outstanding for following periods from the due date of payment#				For 2023-24
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4126.48	29.77	31.54	14.14	4201.93
(iii) Disputed dues – MSME					

(₹ in Lakhs)

Particulars	Outstanding for following periods from the due date of payment#				For 2022-23
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2712.96	9.84	4.79	14.51	2742.10
(iii) Disputed dues – MSME					

**Disclosure under MSMED act.**

a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	-	-
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

**NOTE 19 OTHER CURRENT LIABILITIES**

Particulars	31st March 2024	31st March, 2023
Statutory Liabilities	24.32	31.02
Advance From Customer	43.35	177.11
<b>Total</b>	<b>67.67</b>	<b>208.13</b>

**NOTE 20 REVENUE FROM OPERATIONS**

Particulars	31st March 2024	31st March 2023
Sale of products (including excise duty)		
Domestic Sales	13272.59	9165.72
Export Sales	5672.48	7250.64
	<b>18945.07</b>	<b>16416.36</b>
<u>Other Operating revenues</u>		
Duty Drawback	55.98	36.78
Export Incentive	71.35	52.77
	127.32	89.56
<b>Total revenue from continuing operations</b>	<b>19072.39</b>	<b>16505.92</b>



(₹ in Lakhs)

**NOTE 21 OTHER INCOME**

Particulars	31st March 2024	31st March 2023
<u>Interest Income</u>		
Bank Interest Received	54.70	40.55
Interest Received from Others	20.76	2.22
	75.46	42.77
<u>Other non-operating income</u>		
Others	194.16	300.59
	194.16	300.59
<b>Other Income</b>	<b>269.62</b>	<b>343.36</b>

**NOTE 22 COSTS OF RAW MATERIALS & COMPONENT CONSUMED**

Particulars	31st March 2024	31st March 2023
Inventory at the beginning of the year	158.67	178.87
Add:- Purchases	14807.20	12125.22
	14965.87	12304.09
Less:- Inventory at the end of year	1132.46	158.67
<b>Cost of Raw Materials Consumed</b>	<b>13833.41</b>	<b>12145.42</b>

**NOTE 23 (INCREASE)/DECREASE IN INVENTORY**

Particulars	31st March 2024	31st March 2023
Inventories at the end of the Year		
Finished goods	846.39	934.28
	846.39	934.28
Inventories at the beginning of the Year		
Finished goods	934.28	784.34
	934.28	784.34
<b>(Increase)/Decrease in Inventory</b>	<b>87.89</b>	<b>-149.94</b>

**NOTE 24 EMPLOYEE BENEFIT EXPENSES**

Particulars	31st March 2024	31st March 2023
(a) Salaries, Wages and Incentives	903.69	782.13
(b) Contribution to Provident and Other funds	58.44	66.93
(c) Staff Welfare Expenses	19.49	103.13
<b>Total</b>	<b>981.63</b>	<b>952.19</b>

**NOTE 25 FINANCE COST**

Particulars	31st March 2024	31st March 2023
Interest Expense	327.99	171.34
Other Borrowing Cost	87.91	22.54
<b>Total</b>	<b>415.90</b>	<b>193.88</b>

**NOTE 26 OTHER EXPENSES**

Particulars	31st March 2024	31st March 2023
Rent	74.23	20.90
Carriage Outward	350.75	207.03
Research & Development	100.26	141.11
Travelling & Conveyance	131.32	105.14
Repairs & Maintenance		
- Machinery	115.57	78.01
-TRUCK & TANKER	52.91	30.24
Telephone & Postage Expenses	10.51	10.63
Insurance Expenses	5.97	11.02
Filing fees, Rates & Taxes	23.05	31.72
Payment to Auditors		
- Statutory Audit Fees	4.20	3.25
- Tax Audit Fees	.30	.25
- Quarterly Review	1.00	
- Other Matter	.07	.00
Legal & Consultancy Charges	195.16	99.51
TRUCK & TANKER INSURANCE & OTHER TAX	98.20	81.27
Subscription & Donation	55.43	60.84
Miscellaneous Expenses	286.44	173.99
Export Expenses	644.02	653.38
Import Expenses	20.14	7.07
Loading & Unloading Expenses	43.28	45.65
<b>Total</b>	<b>2212.80</b>	<b>1761.00</b>

**NOTE 27 - EARNINGS PER SHARE**

Particulars	31st March 2024	31st March 2023
a) Net profit attributable to the shareholders (PAT)	1070.17	1177.63
b) Weighted average no. of equity share of face value of ` 10/- each	80,00,000	80,00,000
Basic earnings per share	13.38	14.72
c) Weighted average potential no. of equity shares	80,00,000	80,00,000
Diluted earnings per share (in ₹)	13.38	14.72

(₹ in Lakhs)

**NOTE 28 - INCOME TAX RECONCILIATION**

Reconciliation of Accounting profit and tax expense	31st March 2024	31st March 2023
Profit before tax	1381.25	1680.06
Tax at the Indian tax rate of 29.12% (previous year - 29.12%)	402.22	489.23
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Companies Act Depreciation	124.96	77.65
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Income Tax Act Depreciation	228.69	241.24
Tax effect of other adjustments	-12.89	-8.81
Impact of Unabsorbed Depreciation	-	-
MAT Impact		
<b>Income Tax Recognized in Profit &amp; Loss account (MAT)</b>	<b>311.39</b>	<b>334.46</b>

**NOTE 29 - RELATED PARTY TRANSACTIONS**

Disclosure of related party transactions in terms of Ind AS 24 is given below.

**(i) Key Managerial Personnel**

(a) Name of the related parties with relationship:

- i) Mr. Suraj Ratan Mundhra, Director – Key Management Personnel
- ii) Mr. Mukesh Mundhra, Director – Key Management Personnel
- iii) Mr. Ajay Kumar Mimani, Director – Key Management Personnel
- iv) Mr. Rajesh Mundhra, Director - Key Managerial Personnel
- v) Navneet Bagri, CFO - Key Managerial Personnel
- vi) Subhankar Paul, Company Secretary - Key Managerial Personnel

(b) Transactions with the related parties during the year:

Particulars	Remuneration		Loans & Advances given	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Key Management Personnel	121.89	105.29	Nil	Nil
Relative of KMP	Nil	Nil	Nil	Nil
Closing Balance	8.82	10.16	Nil	Nil

(₹ in Lakhs)

 (ii) **Subsidiary Companies**

(a) (Ownership – 100%)

(b) Nature of Transaction

Subsidiary Company	Loan Given		Loan Taken	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Allied Maritime & Infra Engineering Private Ltd	4.48	113.64	136.08	95.10
ARCL Petrochemicals Limited	139.01	126.15	139.01	104.00
Ocilim Advisory Services Private Ltd.	134.00	142.10	134.00	124.50
Wide Range Merchants Private Ltd.	134.14	121.64	134.14	104.10
Nocnex Chemicals Private Ltd.	135.57	153.49	135.57	135.10
Yocnex Chemicals Private Ltd.	134.45	152.26	134.45	125.00
Suksess Chemicals Private Ltd.	94.53	127.39	94.53	110.00
<b>TOTAL</b>	<b>776.17</b>	<b>936.67</b>	<b>907.76</b>	<b>797.80</b>

 (c) **Closing Balance**

Particulars	31st March 2024	31st March 2023
Loans Given	776.17	936.67
Interest Receivable	.00	.00
Loans Taken	2268.10	1360.33
Interest Payable		15.29

**NOTE 30 - EMPLOYEE BENEFITS**

a) Present Value of Obligations for Defined Benefits:				
Particulars	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	2023-24	2022-23	2023-24	2022-23
As at the beginning of the year	36.03	34.60	236.12	238.67
Current Service Cost	6.44	4.00	14.17	12.32
Interest Cost	2.61	2.42	17.12	16.71
Actuarial (Gains)/Losses	4.99	.13	1.23	-2.06
Benefits paid	-3.40	-5.13	-12.21	-29.51
As at the end of year	46.69	36.03	256.43	236.12
b) Fair Value of Planned Assets:				
Particulars	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	2023-24	2022-23	2023-24	2022-23
As at the beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contribution by Employer	3.40	5.13	12.21	29.51
(Benefits Paid)	-3.40	-5.13	-12.21	-29.51
As at the end of the year	-	-	-	-
c) Key results (The amount to be recognized in the Balance Sheet):				
Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Present value of the obligation at the end of the period	46.69	36.03	256.43	236.12

(₹ in Lakhs)

Fair value of plan assets at end of period	-	-	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	46.69	36.03	256.43	236.12
Funded Status - Surplus/ (Deficit)	-46.69	-36.03	-256.43	-236.12

<b>d) Expense recognized in the statement of Profit and Loss:</b>				
Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Interest cost	2.61	2.42	17.12	16.71
Current service cost	6.44	4.00	14.17	12.32
Past Service Cost	-	-	-	-
Expected return on plan asset	-	-	-	-
Expenses to be recognized in P&L	9.06	6.43	31.28	29.02

<b>e) Other comprehensive (income) / expenses (Remeasurement)</b>				
Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Cumulative unrecognized actuarial (gain)/loss opening. B/F	7.92	7.78	59.03	61.09
Actuarial (gain)/loss - obligation	4.99	.13	1.23	-2.06
Actuarial (gain)/loss - plan assets	.00	.00	.00	.00
Total Actuarial (gain)/loss	4.99	.13	1.23	-2.06
Cumulative total actuarial (gain)/loss. C/F	12.91	7.92	60.26	59.03

<b>f) Net Interest Cost</b>				
Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Interest cost on defined benefit obligation	-	-	17.12	16.71
Interest income on plan assets	-	-	-	-
Net interest cost (Income)	-	-	17.12	16.71

<b>g) Experience adjustment:</b>				
Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Experience Adjustment (Gain) / loss for Plan liabilities	4.99	.60	1.23	.69
Experience Adjustment Gain / (loss) for Plan assets	-	-	-	-

<b>h) Summary of membership data at the date of valuation and statistics based thereon:</b>				
Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Number of employees	224	172	224	.00
Total monthly salary	33.99	25.85	33.99	25.85
Average Past Service(Years)	11.7	15.5	11.7	15.5
Average Future Service (years)	18.4	13.8	18.4	13.8
Average Age(Years)	41.6	46.2	41.6	46.2
Total Leave With Cap/Without Cap	0.08/0.09	0.07/0.08	-	-
Total CTC / Availment Rate	67.98 / 3%	51.70/ 3%	-	-
Weighted average duration (based on discounted cash flows) in years	10	9	6	7
Average monthly salary	.15	.15	.15	.15

(₹ in Lakhs)

<b>i) Actuarial assumptions provided by the company and employed for the calculations are tabulated:</b>				
Discount rate	7.25 % per annum	7.25 % per annum	7.25 % per annum	7.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
<b>j) Benefits valued:</b>				
Normal Retirement Age	60 Years	60 Years	60 Years	60 Years
Salary	As per rules of the company	As per rules of the company	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	-	-	5 Years of service	5 Years of service
Benefits on Normal Retirement	1/30 * Salary * Number of leaves.	1/30 * Salary * Number of leaves.	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).
Benefit on early exit due to death and disability	As above, subject to rules of the company.	As above, subject to rules of the company.	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	-	-	20.00	20.00
Benefit on death	As above, subject to rules of the company.	As above, subject to rules of the company.	-	-
<b>k) Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) :</b>				
Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Current Liability (Short Term)*	12.81	5.27	71.29	26.08
Non-Current Liability (Long Term)	33.87	30.76	185.14	210.04
Total Liability	46.69	36.03	256.43	236.12
<b>l) Effect of plan on entity's future cash flows</b>				
<b>l) (i): Funding arrangements and funding policy</b>				
Not Applicable				
<b>l) (ii): Expected contribution during the next annual reporting period</b>				
The Company's best estimate of Contribution during the next year	-	-	20.31	16.62
<b>l) (iii): Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.</b>				
01 Apr 2024 to 31 Mar 2025	-	-	71.28	
01 Apr 2025 to 31 Mar 2026	-	-	19.27	
01 Apr 2026 to 31 Mar 2027	-	-	28.74	
01 Apr 2027 to 31 Mar 2028	-	-	25.68	
01 Apr 2028 to 31 Mar 2029	-	-	20.06	
01 Apr 2029 Onwards	-	-	91.39	
<b>m) Projection for next period:</b>				
Best estimate for contribution during next Period	-	-	20.31	

(₹ in Lakhs)

**n) Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. The effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:**

Period	31st March 2024	31st March 2023
Defined Benefit Obligation (Base)	4668702	2,56,42,581 @ Salary Increase Rate : 5%, and discount rate :7.25%
Liability with x% increase in Discount Rate	44,12,582; x=1.00% [Change (5)% ]	2,45,35,500; x=1.00% [Change (4)% ]
Liability with x% decrease in Discount Rate	49,60,355; x=1.00% [Change 6% ]	2,68,61,694; x=1.00% [Change 5% ]
Liability with x% increase in Salary Growth Rate	49,63,971; x=1.00% [Change 6% ]	2,68,76,398; x=1.00% [Change 5% ]
Liability with x% decrease in Salary Growth Rate	44,05,087; x=1.00% [Change (6)% ]	2,45,02,416; x=1.00% [Change (4)% ]
Liability with x% increase in Withdrawal Rate	47,10,802; x=1.00% [Change 1% ]	2,57,49,060; x=1.00% [Change 0% ]
Liability with x% decrease in Withdrawal Rate	46,21,722; x=1.00% [Change (1)% ]	2,55,25,453; x=1.00% [Change 0% ]

**o) Reconciliation of liability in balance sheet**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Opening gross defined benefit liability/ (asset)	36.03	34.60	236.12	238.67
Expenses to be recognized in P&L	9.06	6.43	31.28	29.02
OCI- Actuarial (gain)/ loss-Total current period	4.99	.13	1.23	-2.06
Benefits paid (if any)	-3.40	-5.13	-12.21	-29.51
Closing gross defined benefit liability/ (asset)	46.69	36.03	256.43	236.12

**p) Defined Contribution Plans**

A Provident Fund for certain eligible employees is administered by the Company through Employees Provident Fund as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The amount contributed is recognized as an expense and included in "Company's contributions to PF & other funds" of Statement of Profit and Loss account is Rs.25.96 lakhs (LY Rs.30.88 lakhs).

**Notes:**

- (a) The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.
- (b) Discount rate is based upon the market yields available on Government Bonds at the accounting date with that of liabilities.

**NOTE 31**

<b>Disclosure of under the Micro, Small and Medium Enterprises Development Act, 2006</b>		
The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company / identified by the Company management. The detail of the same is as under.		
<b>Particulars</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
(a)(i) Principal amount remaining unpaid at the end of the accounting year	-	-
ii) Interest due on above	-	-
(b)(i) Interest paid by the Company in terms of section 16 of MSMED Act.	-	-
ii) Payment made to supplier beyond the appointed day during the year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of financial year.	-	-
€The amount of further interest remaining due and payable even in succeeding years, until the date when the interest due as above are actually paid.	-	-

**NOTE 32 - EXPENDITURE IN FOREIGN CURRENCY**

<b>Particulars</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
Travelling	26.74	12.41
Professional for R & D Expenses	-	5.32
Commission	NIL	NIL
Business Development Expenses	8.46	6.91

**NOTE 33 - EARNINGS IN FOREIGN CURRENCY**

<b>Particulars</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
Value of Exports on FOB basis	5672.48	7250.64
Brokerage and Commission received	NIL	NIL

**NOTE 34 - CIF VALUE OF IMPORTS**

<b>Particulars</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
Raw Materials	3670.17	450.64

**NOTE 35 - CONTINGENT LIABILITIES**

a) Claims against the company not acknowledged as debt (In lakhs):
· Demand under Central Excise act, 1944 and Finance act, 1944 for the period from 2003-04, against which appeal was filed before Commissioner appeal- Rs. 17.68 lakhs
· The case of excise pending in Tribunal involving an amount of Rs. 396.34 lakhs against which Rs. 74.34 lakhs paid towards security deposit.



(₹ in Lakhs)

· Cases of sales tax amounting to Rs. 115.42 lakhs are pending before Deputy Commissioner of Commercial Tax and Rs. 137.04 lakhs from 2005-06 before Joint Commissioner of sales tax.
· In Income tax, an appeal has been filed by the department against relief granted by income tax Appellate Tribunal which is pending in High Court, Calcutta-Rs. 640.78 lakhs for 1988-98. And Rs 316.97 lakhs case is pending before Commissioner (Appeal) for the period.
· The position of both the units (Hid Road & Budge Budge) has been handed over back to KOPT along with the stocks which are having recoverable value more than the rent payable, Since the matter is sub judice we have ignored the value of recoverable from the company has provided for rent payable.
· On Account of LC and Bank Guarantee Rs 5,96,63,501/- and 37,87,805/- respectively.
b) Capital and other commitments: Rs. Nil (Previous Year - Rs. Nil)

### NOTE 36 - CAPITAL MANAGEMENT

The Company's objective when managing capital (defined as net debt and equity) are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company. The Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

### NOTE 37

The charge of dues of IDBI Bank now taken over by Stressed Assets Stabilization Fund (SASF) and WBIDCL has not yet been filed in connection with the satisfaction of charge on ROC portal, despite full and final payment made as per the scheme approved by the Hon'ble Calcutta High Court.

Since SASF has failed to issue NOC as stipulated in the scheme, the company has filed a petition before the Hon'ble Calcutta High Court on the grounds of breach of terms and conditions of the scheme. The matter is pending before Hon'ble Calcutta High Court. The matter for NOC with WBIDCL is being followed.

### NOTE 38 GEARING RATIO

The gearing ratio at the end of the reporting period was as follows:		
Particulars	31st March 2024	31st March 2023
Debt	1909.34	1128.68
Cash and Bank balance	332.39	143.37
<b>Net Debt</b>	1576.95	985.31
<b>Total Equity</b>	6428.40	5362.90
Net debt to Equity ratio/ Gearing Ratio	0.25	0.18

**NOTE 39 DISCLOSURE ON FINANCIAL INSTRUMENTS**

(₹ in Lakhs)

Financial Assets Measured at Amortized Cost	Current		Non-Current	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Trade receivables	3414.82	3191.39	-	-
Cash and cash equivalents	332.39	143.37	-	-
Other Bank Balances	701.66	690.33	-	-
Loans	282.82	188.69	-	-
Other Financial Assets	36.23	7.31	70.87	67.43
<b>Measured at fair value through OCI</b>				
Investments	-	-	126.59	125.03
<b>Total Financial Assets</b>	<b>4767.92</b>	<b>4221.09</b>	<b>197.46</b>	<b>192.45</b>

Financial Liabilities at Amortized Cost	Current		Non-Current	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Borrowings	1112.58	978.68	1774.46	1034.25
Lease Liabilities	19.24	9.70	9.49	9.23
Trade payables	4201.93	2742.10	-	-
Other financial liabilities	224.78	149.92	-	-
<b>Total Financial Liabilities</b>	<b>5558.53</b>	<b>3880.40</b>	<b>1783.95</b>	<b>1043.48</b>

**NOTE 39 (I) FINANCIALS INSTRUMENT DISCLOSURE**

(a) Financial assets and Liabilities measured at fair value through Profit & Loss account as on 31 March, 2024

Particulars	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost*	Total
<b>Financial Assets (Long Term)</b>				
-Investments	-	1.56	125.03	126.59
-Other financial assets	-	-	70.87	70.87
<b>Financial Assets (Short Term)</b>				
- Trade Receivable	-	-	3414.82	3414.82
- Cash and cash equivalents	-	-	1034.05	1034.05
- Loans & Advances	-	-	282.82	282.82
- Other Financials Assets	-	-	36.23	36.23
<b>Total</b>	<b>-</b>	<b>1.56</b>	<b>4963.81</b>	<b>4965.37</b>

(₹ in Lakhs)

	FVTPL	FVTOCI	Amortised Cost*	Total
<b>Financial liabilities (Long Term)</b>				
- Lease Liabilities	-	-	9.49	9.49
- Borrowings	-	-	1774.46	1774.46
<b>Financial liabilities (Short Term)</b>				
- Borrowings	-	-	1112.58	1112.58
- Lease Liabilities	-	-	19.24	19.24
- Trade Payable	-	-	4201.93	4201.93
- Other Financial Liabilities	-	-	224.78	224.78
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7342.48</b>	<b>7342.48</b>

**(b) Financial assets and Liabilities measured at fair value through Profit & Loss account as on 31 March, 2023**

Particulars	Carrying amount			
	FVTPL	FVTOCI	Amortised Cost*	Total
<b>Financial Assets (Long Term)</b>				
-Investments	-	0.94	124.09	125.03
-Other financial assets	-	-	67.43	67.43
<b>Financial Assets (Short Term)</b>				
- Trade Receivable	-	-	3191.39	3191.39
- Cash and cash equivalents	-	-	833.70	833.70
- Loans & Advances	-	-	188.69	188.69
- Other Financials Assets	-	-	7.31	7.31
<b>Total</b>	<b>-</b>	<b>0.94</b>	<b>4412.60</b>	<b>4413.54</b>
<b>Financial liabilities (Long Term)</b>				
- Lease Liabilities	-	-	9.23	9.23
- Borrowings	-	-	1034.25	1034.25
<b>Financial liabilities (Short Term)</b>				
- Borrowings	-	-	978.68	978.68
- Lease Liabilities	-	-	9.70	9.70
- Trade Payable	-	-	2742.10	2742.10
- Other Financial Liabilities	-	-	149.92	149.92
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4923.87</b>	<b>4923.87</b>

**Fair Value Hierarchy**

The table shown analyses financial instruments carried at fair value. The different levels have been defined below:

Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e., derived from prices)

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

<b>(a)Financial assets and liabilities measured at fair value through OCI on 31 March, 2024</b>				
	Level 1	Level 2	Level 3	Total
Financial Assets				
-Investment	4.33	-	-	4.33
<b>(b)Financial assets and liabilities measured at fair value through OCI on 31 March, 2023</b>				
Financial Assets				
-Investment	2.77	-	-	2.77

**NOTE 40A**

(₹ in Lakhs)

Balance confirmations are matched in respect of trade receivables and trade payables. In the opinion of the management, it is unlikely that there will be any major reconciliation difference with material impact on the carrying amounts of these assets and liabilities as reflected in these financial statements.

**NOTE 40B**

As per NCLT Order, we purchased RCHEM Industries Pvt. Ltd. in consideration of Rs 3,01,25,000/- but the shares of the Company have not been transferred in the name of ARCL Organics Ltd as on 31/03/2023. So that the M/s RCHEM Industries Pvt. Ltd. is not considered a Subsidiary Company of ARCL Organics Ltd. In this regards the transferred value is shown under Other Current Assets in Note no.-12.

**NOTE 41 FINANCIAL RISK MANAGEMENT**

The Company's business activities are exposed to a variety of risks including liquidity risk, credit risk, and market risk. The Company seeks to minimize the potential adverse effects of these risks by managing them through a structured process of identification, assessment, and prioritization of risks followed by coordinated efforts to monitor, minimize and mitigate the impact of such risks on its financial performance and capital. For this purpose, the Company has laid comprehensive risk assessment and minimization/mitigation procedures, which are reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed to ensure that executive management controls risks by way of a properly defined framework. The Company does not enter into derivative financial instruments for speculative purposes. The following table explains the sources of risk and how the entity manages the risk in its financial statements. The management reviews the status of all principal risks with a significant potential impact. Additionally, the Audit Committee carried out focused risk reviews of its Plant and divisions. These reviews included an analysis of both the principal risks and the controls, monitoring, and assurance processes established to mitigate those risks to acceptable levels. As a result of these reviews, several actions were identified to continue to improve internal controls and the management of risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis, Credit analysis	Credit limits and analysis of creditworthiness
Liquidity Risk	Borrowings and other liabilities.	Cash Flow forecasts	Timely evaluation of Credit facilities and regularly payment interest liabilities
Market Risk – foreign exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow forecasts	Monitoring of currency exchange rate movement.
Market Risk – interest rate	Long Term Borrowings/Liabilities	...	Monitoring of interest rate movements
Market Risk – security prices	Investment in Securities	...	Portfolio Management

**a) Credit Risk**

Credit Risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract leading to financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. The company generally doesn't have collateral.

(₹ in Lakhs)

Customer credit risk is managed by business through the company's established policy, procedures, and controls relating to customer credit risk management. The credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

The aging of Trade receivables i.e. receivable which are post due (net of allowances/provisions) are below:		
Age of receivables	31st March 2024	31st March 2023
Less than six months	3141.67	2724.84
More than six months	273.15	466.55

#### b) Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk, and price risk (for commodities or equity instruments).

(i) Foreign Exchange Risk - The company operates only in India and has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to market risk.

(ii) Interest Rate Risk - As a majority of the financial assets and liabilities of the Company are fixed interest-bearing instruments, the Company's net exposure to interest risk is negligible.

(iii) Security Price Risk - The company's exposure to securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or fair value through Profit or Loss. To manage the price risk arising from investments, the company diversifies its portfolio. Diversification of a portfolio is done in accordance with the directions of the Board.

#### c) Liquidity risk

The company's objective is to at all times maintain the optimum level of liquidity to meet its cash and collateral requirement at all times. The current committed lines of credit are sufficient to meet its short to medium-term expansion needs and hence evaluate the concentration of risk with respect to liquidity as low. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The company primarily depends on its own funds and has a low level of borrowing.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

March 31, 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Financial Liabilities						
(i) Borrowings	-	200.74	911.84	1774.46	-	2887.04
(ii) Trade and other payables	-	-	4126.48	75.45	-	4201.93
(iii) Other financial liabilities	-	137.03	-	87.74	-	224.78
(iv) Lease liabilities	-	5.19	15.57	7.97	-	28.73
March 31, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Financial Liabilities						
(i) Borrowings	-	110.69	867.99	1034.25	-	2012.93
(ii) Trade and other payables	-	-	2712.96	29.13	-	2742.10
(iii) Other financial liabilities	-	62.18	-	87.74	-	149.92
(iv) Lease liabilities	-	2.79	8.37	7.77	-	18.93

**NOTE -42**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:				
Particulars	31st March 2024	31st March 2023	31st March 2024	31st March 2023
	USD	EURO	USD	EURO
Financial Assets				
Trade Receivables	14.67	.11	9.81	4.49
Financial Liabilities				
Trade Payables	10.37	0	0	0

**NOTE -43 EXPENDITURE ON RESEARCH & DEVELOPMENT**

During this year company incurred Rs 3,81,463/- for the purchase of Research and Development equipment in Fixed Assets and incurred expenses disclose in Note 26 of Rs 1,00,25,550/-.

Details of Research & Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below:

Particulars	31st March 2024	31st March 2023
Employees benefits expense	77.01	124.10
Miscellaneous expenses	23.24	17.01

Details of Capital expenditures incurred for Research & Development are given below:

Particulars	31st March 2024	31st March 2023
Capital Expenditure	3.81	26.24

**NOTE -44**

- (i) Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- (ii) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder and company has not been declared as willful defaulter by and bank or institution or other lender.
- (iii) To the best of the information available, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- (iv) The Company does not have a policy of closing its books on a quarterly basis and preparing quarterly financials
- (v) Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- vii) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(₹ in Lakhs)

**NOTE 45 DETAILS OF CSR EXPENDITURE**
**Corporate Social Responsibility (CSR)**

Particulars	31st March 2024	31st March 2023
(i) amount required to be spent by the company during the year	19.71	13.58
(ii) amount of expenditure incurred	20.00	13.67
(iii) shortfall at the end of the year	-	-
(iv) total of previous years shortfall	-	-
(v) reason for shortfall,	-	-
(vi) nature of CSR activities	Primary Health & Education	Primary Health & Education
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	5,00,000 for health care at Rudraprayag (Chairman of the Company is the trustee of Trust)	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

**Auditor's Remuneration**

Particulars	31st March 2024	31st March 2023
As Auditor:		
Audit fees	4.20	3.25
Tax audit fees	.30	.25
Limited Review	1.00	
Reimbursement of expenses		
Others	.07	.00
<b>Total</b>	<b>5.57</b>	<b>3.50</b>

**NOTE 46 - SEGMENT REPORTING TO BE INCLUDED BY UPDATING THE BELOW LANGUAGE**

The Company is engaged in the business of manufacturing and selling **Phenolics, Amino Resins, Melamine Resins and Formaldehyde**. Based on the nature of products, production process, regulatory environment, customers and distribution methods there are no reportable segment(s) other than "Chemicals and Allied Products"

(₹ in Lakhs)

**NOTE 47 PARTICULARS OF DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE**

Particulars of Unhedged foreign currency exposure:	31st March 2024		31st March 2023		
	Particulars	Amount in Foreign Currency US\$	Amount	Amount in Foreign Currency US\$	Amount
Purchase of Raw Material					
a) Creditors	10.37	868.55	-	-	
b) Buyer's Credit	-	-	-	-	
Hedged Foreign Currency	-	-	-	-	
Buyers Credit (USD)	-	-	-	-	
Particulars of Unhedged foreign currency exposure:	31st March 2024		31st March 2023		
Particulars	Amount in Foreign Currency US\$	Amount (₹ In Lacs)	Amount in Foreign Currency US\$	Amount (₹ In Lacs)	
Purchase of Traded Goods					
a) Creditors	-	-	-	-	
b) Buyer's Credit	-	-	-	-	
Hedged Foreign Currency	-	-	-	-	
Buyers Credit (USD)	-	-	-	-	

**NOTE 48 LEASE LIABILITY**

Particulars	31st March 2024			31st March 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Opening	19.76	-.83	18.93	19.76	8.03	27.79
Addition	16.27	9.60	25.87	.00	2.12	2.12
Interest Cost		.66	.66	.00	.00	.00
Deletion				.00	.00	.00
Lease Payment		16.72	16.72	.00	10.98	10.98
Closing	36.03	-7.30	28.73	19.76	-.83	18.93

The Table below provides details regarding the contractual maturities of lease liabilities as on undiscounted basis

Particulars	31st March 2024	31st March 2023
Less than one year	17.63	8.03
More than one year but less than five years	36.03	19.76
More than Five Years	-	-
<b>Total</b>	<b>53.66</b>	<b>27.79</b>



(₹ in Lakhs)

**NOTE 49 ASSETS PLEDGED AS SECURITY**

<b>The carrying amounts of assets pledged as security for current borrowings are:</b>		
<b>Particulars</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
<b>Current</b>		
<b>Financial assets</b>	5766.86	4614.96
<b>First charge</b>		
<b>Margin Money</b>	140.38	168.17
Inventories	2211.66	1255.39
Trade Receivable	3414.82	3191.39
<b>Non-financial assets</b>	-	-
<b>Total current assets pledged as security</b>	5766.86	4614.96
<b>Non-current</b>		
<b>Financial assets</b>		
<b>First charge</b>		
Fixed Deposit	561.27	522.16
<b>Non-financial assets</b>	-	-
<b>Total non-currents assets pledged as security</b>	561.27	522.16
<b>Total assets pledged as security</b>	6328.13	5137.11

**NOTE 50 REVENUES FROM SALE OF MAJOR PRODUCTS IN TERMS OF TYPE OF SALE / CUSTOMER AND BASED ON PRIMARY GEOGRAPHICAL MARKET**

<b>Particulars</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
<b>Type of Goods &amp; Services</b>		
Amino Powder	4359.79	4284.34
Aqua-SB	2323.96	2092.70
Epoxy Resin	110.96	161.22
Formaldehyde	7904.78	4022.45
Liquid	6.17	.00
PF Powder	3343.94	4844.39
Phenolics	561.26	392.92
Trading Sales	334.21	618.34
<b>Total</b>	<b>18945.07</b>	<b>16416.36</b>
<b>Geographical Region</b>		
India	13272.59	9165.72
Overseas	5672.48	7250.64
<b>Total</b>	<b>18945.07</b>	<b>16416.36</b>
<b>Type of Sales</b>		
Manufactured	18610.86	15798.02
Traded	334.21	618.34
<b>Total</b>	<b>18945.07</b>	<b>16416.36</b>
<b>Type of customers</b>		
<b>Non-government</b>	<b>18945.07</b>	<b>16416.36</b>

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ARCL ORGANICS LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

1. We have audited the accompanying consolidated financial statements of **ARCL Organics Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2024, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and notes to the financial statements for the year ended on that date including a summary of material accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

3. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the consolidated financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.
4. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
5. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
6. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

### **Management's Responsibility for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group which are

companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
15. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

## Other Matters

16. We did not audit the financial statements of seven subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 1030.933 lakhs as at March 31, 2024, total revenues of Rs. 186.85 lakhs, total net profit/ (Loss) after tax of Rs. 59.83 lakhs, total comprehensive loss of Rs. 59.83 lakhs and cash flows (net) of Rs. (186.16 lakhs) for the year ended on that date as considered in the financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries is based solely on the reports of other auditors.

Our opinion on the Consolidated Financial Statements, 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

17. 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group's companies is disqualified as on 31<sup>st</sup> March, 2024 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditor's report of the parent and its subsidiary companies incorporated in India.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 35 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The Company has neither proposed any dividend in the previous year or in the current year nor paid any interim dividend during the year.
  - vi. Based on our examination which included test checks, the company and its subsidiaries have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E

(Ranjan Singh)  
Partner  
Membership Number: 305423  
**UDIN:** 24305423BKEHUD6901

Place: Kolkata

Date: 26.04.2024

**ANNEXURE- A TO THE INDEPENDENT AUDITOR'S REPORT  
To the members of ARCL ORGANICS LIMITED**

[Referred to in paragraph 17(f) of the Auditors' Report of even date]

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

1. We have audited the internal financial controls over financial reporting of **ARCL ORGANICS LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), which are companies incorporated in India as of 31<sup>st</sup> March, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiaries which are companies incorporated in India based on our audit. We conducted our audit in accordance with the “Guidance Note” and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. 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.

4. 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 includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting the Company and its subsidiary companies.

#### **Meaning of Internal Financial Control over Financial Reporting**

6. 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 statement 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 the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of company; and
  - 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

#### **Inherent Limitations of Internal Financial Control over Financial Reporting**

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control 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**

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

#### **Other Matters**

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven subsidiary company is based solely on the corresponding reports of the auditors of such companies.



(₹ in Lakhs)

**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2024**

Particulars	Note No.	31st March 2024	31st March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	6279.54	4614.66
Right of Use	2	27.78	17.20
Financial Assets			
(i) Investments	3	4.33	2.77
(ii) Other financial Assets	4	70.87	67.43
(iii) Loans	10		
Deferred Tax Asset (Net)	5		
<b>Total Non - Current Assets</b>		<b>6382.52</b>	<b>4702.05</b>
<b>Current assets</b>			
Inventories	6	2211.66	1255.39
Financial Assets			
(i) Trade receivables	7	3429.74	3202.19
(ii) Cash and cash equivalents	8	804.50	909.52
(iii) Other Bank Balances	9	701.66	690.33
(iv) Loans	10	288.39	194.21
(v) Other Financial Assets	4	36.23	7.31
Current Tax Assets	11		
Other current assets	12	1868.70	1073.56
<b>Total Current Assets</b>		<b>9340.87</b>	<b>7332.49</b>
<b>Total Assets</b>		<b>15723.39</b>	<b>12034.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	800.00	800.00
Other Equity	14	5750.01	4624.68
<b>Total equity</b>		<b>6550.01</b>	<b>5424.68</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	15	1774.46	1034.25
(ia) Lease Liabilities		9.49	9.23
(ii) Other financial liabilities	16		
Provisions	17	219.01	240.80
Deferred Tax Liabilities (Net)	5	332.28	332.59
<b>Total non-current liabilities</b>		<b>2335.25</b>	<b>1616.86</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	15	1112.58	978.68
(ia) Lease Liabilities		19.24	9.70
(ii) Trade payables	18		
Outstanding dues to Micro and Small enterprises			
Outstanding dues to parties other than Micro and Small enterprises		4951.93	3433.79
(iii) Other financial liabilities	16	224.78	149.92
Provisions	17	188.81	88.47
Other current liabilities	19	104.73	217.13
Current Tax Liability Net	11	236.05	115.31
<b>Total Current Liabilities</b>		<b>6838.12</b>	<b>4993.00</b>
<b>Total liabilities</b>		<b>9173.37</b>	<b>6609.86</b>
<b>Total Equity &amp; Liabilities</b>		<b>15723.39</b>	<b>12034.54</b>
Significant accounting policies	1		
Additional notes to financial statements	27-51		
The above balance sheet should be read in conjunction with the accompanying notes in terms of our report of even date			
<b>For L B Jha &amp; Co</b> Chartered Accountants (Firm registration no. 301088E) Partner Ranjan Singh (Membership no. 305423) Place: Kolkata		<b>For and on behalf of the Board</b>	
		Suraj Ratan Mundhra Managing Director DIN-00681223	Mukesh Mundhra Director DIN-00658602
		Navneet Bagri Chief Financial Officer	Subhankar Paul Company Secretary Membership No. - A63772

(₹ in Lakhs)

<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS AS ON 31ST MARCH 2024</b>			
<b>Particulars</b>	<b>Notes</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
<b>I. Revenue from operations</b>	20	19072.39	16505.92
<b>II. Other income</b>	21	269.62	343.49
<b>III. Total Revenue (I + II)</b>		<b>19342.01</b>	<b>16849.41</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	22	13833.41	12093.36
Changes in inventories of work-in-progress, stock-in-trade and finished goods	23	87.89	-149.94
Employee benefit expense	24	979.88	1003.01
Finance costs	25	307.03	193.90
Depreciation and amortization expense	2	429.13	266.66
Other expenses	26	2239.63	1772.60
<b>Total expenses</b>		<b>17876.97</b>	<b>15179.59</b>
<b>V. Profit before tax (III - IV)</b>		<b>1465.04</b>	<b>1669.82</b>
Income tax expenses			
- Current tax		335.35	334.46
- MAT Credit		-	-
- Deferred tax		-.31	167.97
<b>Total tax expense</b>		<b>335.04</b>	<b>502.43</b>
<b>Profit after tax</b>		<b>1130.00</b>	<b>1167.39</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		-6.22	1.93
(ii) Income tax relating to items that will not be reclassified to profit and loss		1.56	.94
<b>Other comprehensive income for the year, net of tax</b>		<b>-4.66</b>	<b>2.87</b>
<b>Total comprehensive income for the year</b>		<b>1125.33</b>	<b>1170.26</b>
<b>Earnings per equity share attributable to owners of ARCL Organics Limited:</b>			
<b>Basic earnings per share</b>		<b>14.12</b>	<b>14.59</b>
<b>Diluted earnings per share</b>		<b>14.12</b>	<b>14.59</b>
Summary of Significant Accounting Policies	1		
Additional notes to financial statements	27-51		
In terms of our report of even date			
<b>For and on behalf of the Board</b>			
<b>For L B Jha &amp; Co</b>			
Chartered Accountants			
(Firm registration no. 301088E)		<b>Suraj Ratan Mundhra</b>	<b>Mukesh Mundhra</b>
Partner Ranjan Singh		Managing Director	Director
(Membership no. 305423)		DIN-00681223	DIN-00658602
Place: Kolkata		<b>Navneet Bagri</b>	<b>Subhankar Paul</b>
		Chief Financial Officer	Company Secretary
			Membership No.-A63772
Date: 26/04/2024			

(₹ in Lakhs)

<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024</b>					
		<b>31st March 2024</b>		<b>31st March 2023</b>	
<b>A.</b>	<b>Cash Flow from Operating Activities</b>				
	Net profit before tax as per Statement of Profit and Loss		1465.04		1669.82
	<b>Adjustments for:</b>				
	Depreciation on Tangible Assets	429.13		266.66	
	Interest Income	-54.70		-40.68	
	Interest Expense	219.07		171.31	
	Actuarial Gain /loss transferred to OCI	-4.66		2.87	
			588.84		400.15
	<b>Operating Profit Before Working Capital Changes</b>		<b>2053.88</b>		<b>2069.97</b>
	Increase / (Decrease) in Trade Payables	1518.14		944.18	
	Increase / (Decrease) in Other Current Liabilities	-112.40		-114.94	
	Increase / (Decrease) in Short Term Provisions	100.34		1.29	
	Increase / (Decrease) in Long Term Provisions	-21.78		11.64	
	Increase / (Decrease) in Other Current financial Liabilities	74.86		14.90	
	Increase / (Decrease) in Other Non-Current financial Liabilities	-		-200.00	
	(Increase) / Decrease in Other Bank balances	-11.32		37.86	
	(Increase) / Decrease in Trade receivables	-227.55		-40.24	
	(Increase) / Decrease in Inventories	-956.27		-35.20	
	(Increase) / Decrease in Loans and Advances	-94.18		-138.92	
	(Increase) / Decrease in Other Current Assets	-1009.75		192.77	
	(Increase) / Decrease in Other Current Financial Assets	-28.92		.02	
	(Increase) / Decrease in Other Non-Current financial Assets	-3.44		-32.80	
	(Increase) / Decrease in Long Term Loans & Advances	-	-772.28	-	640.55
	<b>Cash generated from operations</b>		<b>1281.60</b>		<b>2710.53</b>
	Taxes paid (Net of refunds)		-		200.00
	<b>Net cash Generated/(used) from operating activities (A)</b>		<b>1281.60</b>		<b>2510.53</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>				
	Purchase of fixed assets	-2104.59		-2217.63	
	Disposal of Fixed Assets	.00		-	
	Investments in Subsidiaries	-1.56		-.94	
	Interest Received	54.70		40.68	
	<b>Net cash from investing activities (B)</b>		<b>-2051.45</b>		<b>-2177.88</b>
<b>C.</b>	<b>Cash flow From Financing Activities</b>				
	Proceeds from short - term borrowings	143.43		-104.52	
	Proceeds/(Repayment) from long - term borrowings	740.48		674.70	
	Interest Paid	-219.07	664.84	-171.31	398.87
	<b>Net cash used for financing activities (C)</b>		<b>664.84</b>		<b>398.87</b>
	Net Increase/(decrease in cash and cash equivalents (A+B+C))		<b>-105.01</b>		<b>731.51</b>
	Cash and Cash equivalent at the beginning of the year		909.52		178.00
	Cash and Cash equivalent at the end of the year		804.50		909.52
	<b>Changes in Cash and Cash Equivalents - Increase/(Decrease)</b>		<b>105.01</b>		<b>-731.51</b>

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For L B Jha &amp; Co

Chartered Accountants

(Firm registration no. 301088E)

Partner Ranjan Singh

(Membership no. 305423)

Place: Kolkata

Date: 26/04/2024

Suraj Ratan Mundhra

 Managing Director  
 DIN-00681223

Navneet Bagri

Chief Financial Officer

Mukesh Mundhra

 Director  
 DIN-00658602

Subhankar Paul

Company Secretary

Membership No.- A63772

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 2024**

<b>A. Equity Share Capital</b>		
	Note	(₹ in Lakhs)
<b>1 April 2022</b>		<b>800.00</b>
Changes in equity share capital		-
<b>31 March 2023</b>	<b>13</b>	<b>800.00</b>
Changes in equity share capital		-
<b>31 March 2024</b>		<b>800.00</b>

<b>B. Other Equity</b>								
	Notes	Securities premium reserve	Capital reserve	Retained Earnings	Other Comprehensive Income		Total other equity	
					Remeasurements of the defined benefit plans	Fair valuation of Equity Instrument		
<b>Balance at 31 March 2022</b>	<b>14</b>	<b>1122.50</b>	<b>.03</b>	<b>2396.62</b>	<b>-63.72</b>	<b>-1.01</b>	<b>3454.42</b>	
Profit for the year				1167.39			1167.39	
Other comprehensive income					1.93	.94	2.87	
Adjustments							-	
<b>Total comprehensive income for the year</b>			<b>-</b>	<b>-</b>	<b>1167.39</b>	<b>1.93</b>	<b>.94</b>	<b>1170.26</b>
<b>Balance at 31 March 2023</b>			<b>1122.50</b>	<b>.03</b>	<b>3564.01</b>	<b>-61.80</b>	<b>-.07</b>	<b>4624.68</b>
Profit for the year					1130.00			1130.00
Other comprehensive income						-6.22	1.56	-4.66
<b>Total comprehensive income for the year</b>			<b>-</b>	<b>-</b>	<b>1130.00</b>	<b>-6.22</b>	<b>1.56</b>	<b>1125.33</b>
<b>Balance at 31 March 2024</b>			<b>1122.50</b>	<b>.03</b>	<b>4694.01</b>	<b>-68.02</b>	<b>1.49</b>	<b>5750.01</b>

**For L B Jha & Co**  
 Chartered Accountants  
 (Firm registration no.  
 301088E)

Partner Ranjan Singh  
 (Membership no.  
 305423)  
 Place: Kolkata  
 Date: 26/04/2024

## **Notes forming part of the consolidated financial statements.**

### **Note 1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions**

#### **A. Corporate information**

**ARCL Organics Ltd** was incorporated on 8th September, 1992. It is a public limited company having its registered office at Rampur, Budge Budge Trunk Road, Kolkata- 700141, West Bengal. The Company is engaged in the business of manufacturing and selling of chemical-based products, Resins, Additives, Hardeners and specialized One-Shot Resins. Over the years, ARCL has broadened its product range and is having an integrated & computerized fully automated petrochemical complex. The Company caters to both the domestic and export market.

The Corporate identity number of the Company is U24121WB1992PLC056562 issued by Registrar of Companies, Kolkata, West Bengal.

Today along with a wide range of Resins & Additives, Hardeners and specialized One-Shot Resins, ARCL has the expertise to offer tailor-made solutions as per its client's requirements.

**The financial statements of the Group comprise of the financial statements of the parent company and its seven wholly-owned subsidiaries (the Company and its subsidiaries are referred to as the "Group"). The Group is principally engaged in the business of real estate development financing, trading and other activities.**

**The Company, its subsidiaries (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:**

<b>Subsidiaries</b>	<b>Country of Incorporation</b>	<b>2023-24</b>	<b>2022-23</b>	<b>2021-22</b>
Allied Maritime & Infra Engineering Private Ltd	India	100%	100%	100%
ARCL Petrochemicals Limited	India	100%	100%	100%
Ocilim Advisory Services Private Ltd.	India	100%	100%	100%
Wide Range Merchants Private Ltd.	India	100%	100%	100%
Nocnex Chemicals Private Ltd.	India	100%	100%	100%
Yocnex Chemicals Private Ltd.	India	100%	100%	100%
Suksess Chemicals Private Ltd.	India	100%	100%	100%

#### **B. Material accounting policies**

The significant accounting policies applied by the group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements unless otherwise indicated.

## 1. Basis of accounting and preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standard (Ind AS), as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the act.

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS. Fair Value is the price that would be received to sell an asset or paid to transfer of liabilities in an orderly transaction between market participants at the measurement date.

Accounting policies are consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The Ind AS financial statements are presented in INR which is the Company's functional and presentation currency and all values are rounded to the nearest lakhs, except when otherwise indicated. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

## 2. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March 2024.

### **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group. Non-controlling interests 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 financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

### 3. Use of estimates

The preparation of the Financial Statements in conformity with IND AS requires the management to make estimates, judgments and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

#### **Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### **Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each year.

### 4. Current and Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 5. Property, Plant and Equipment (PPE)

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Freehold land is carried at its historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Any subsequent costs are included in the assets carrying amount or recognized 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. All other repairs and maintenance are recognized in profit or loss as incurred.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the assets ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the assets is ready for its intended use.

## **6. Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The assets residual values, useful life and method of depreciation are reviewed and adjusted if appropriate, at the end of each reporting period.

## **7. Impairment of Non-Financial Assets**

The management periodically assesses using external and internal sources, whether there is an indication that both tangible and intangible asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized.

## **8. Investment in subsidiaries, associates and joint ventures**

Investments in subsidiaries are accounted at cost in the standalone financial statements and the same has been knocked off in the consolidated financial statements.

## **9. Cash and Bank Balances**

**Cash and bank balances consist of:**

### **(i) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprises of cash in hand and at bank, bank deposits and also short term deposits with an original maturity of three months or less, which is subject to an insignificant risk of change in value. These balances with banks are unrestricted for withdrawal and usage.

### **(ii) Other bank balances**

These include balances and deposits with banks that are restricted for withdrawal and usage.

## **10. Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. Cost of inventories includes all the cost that are incurred in bringing the inventories to their present condition and location. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.



## **11. Financial Instruments**

### **Financial Asset Initial Recognition**

Financial assets and financial liabilities are recognized in the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The company determines the classification of its financial assets and liabilities at initial recognition.

### **Subsequent Measurement**

The Subsequent measurement of financial assets depends on their classification which is as follows:

#### **Financial Asset at Fair value through Profit or Loss**

Financial assets at fair value through profit and loss include financial assets held for sale in the near term and those designated upon initial recognition at fair value through profit or loss.

#### **Financial Asset measured at Amortized Cost**

Loans, receivables and cash are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

#### **Financial Asset at Fair value through OCI**

All equity investments, except investments in subsidiaries falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). If the company decides to designate an equity instrument at fair value through OCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

### **Financial Asset Derecognition**

The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

### **Financial Liabilities – Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost, loans and borrowings, or as payables, as appropriate.

### **Subsequent Measurement**

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

Interest bearing borrowings, trade payables and other payables issued by the company are subsequently measured at amortized cost.

### **Measurement of Fair Values**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

### **Trade Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. These amounts are secured and unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Also, the segregation has been made for the micro, small and medium enterprises creditors.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### **12. Borrowings**

Borrowings are recognized at fair value. They are classified as current liabilities unless the Group has the right to defer the settlement of the liability for at least 12 months after the reporting period. Borrowings are removed from the balance sheet when the obligations is discharged, cancelled or expired.

### **13. Provisions and Contingent Liabilities**

The Group recognizes a provision when there is a present obligation as a result of past event that probably requires an out flow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a Contingent Liability is made when there is a possible obligation from a past event but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company

### **14. Revenue Recognition**

In accordance with Ind AS 115 “Revenue from Contracts with customers”, Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

#### **(i) Sale of Goods**

Revenue from the sale of goods is recognized when the Group satisfies the performance obligation in accordance with the provisions of contract with customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of obsolesce and loss pass to the customer and Group has present right to payment. The Group collects goods and services tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

**(ii) Interest Income**

Interest Income is recognized based on time proportion basis considering the amount outstanding and the rate applicable. Interest Income is included in the Other Income in the consolidated statement of Profit and Loss.

**15. Income Tax**

**(i) Current Income Tax**

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

**(ii) Deferred Tax**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amount for the financial reporting purposes at the reporting date. Deferred Tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Current and deferred tax is recognized in the statement of Profit and Loss, except to the extent that it relates to the items recognized in the other comprehensive income or directly in equity.

**16. Employee benefits**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions

**(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 recognized in respect of employees services upto the end of reporting and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Long term obligations**

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured at the present value of expected future payments to be made in respect of services made by employees upto the end of the reporting period. The benefits are discounted using the government securities at the end of reporting period.

**(iii) Post employment obligations - Gratuity**

The liability or asset recognized 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 the plan assets. The present value of the 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 the term approximating to the terms of the related obligations.

## 17. Earnings per Share

Basic earnings per share are computed by dividing the profit for the year attributable to the equity shareholders for the year by the weighted average number of shares outstanding during the year.

## 18. Cash Flow

The investing and financing activities in cash flow statement do not have a direct impact on current cash flows although they do affect the capital and asset structure of an entity. The company has disclosed these transactions, to the extent, material in notes to cash flow statement.

## 19. Segment Reporting

The Company has identified that its operating activity is a single primary business segment. Accordingly, whole of India has been considered as one geographical segment. Hence, segment reporting is not applicable.

## 20. Foreign Currencies

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates (i.e. INR) at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in Statement of Profit and Loss.

## 21. Research and Development

Research and Development expenditures of revenue nature are charged to Profit & Loss Account, while capital expenditure is added to the cost of fixed assets in the year in which these are incurred.

## 22. Lease

### a. Where the Company is the lessee

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

Fixed payments, including in-substance fixed payments;

Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

Amounts expected to be payable under a residual value guarantee; and

The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Short-term leases and leases of low-value assets

The company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**b. Where the Company is the lessor**

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of Profit & Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of Profit & Loss.

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to the Statement of Profit and Loss.

**23. Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM who is responsible for allocating resources and assessing the performance of the operating segments has been identified as the Board of Directors of the Company.

**24. Standard notified but not yet effective:**

**There are no new standards that are notified but not yet effective up to the date of issuance of the company's financial statement.**

(₹ in Lakhs)

**NOTE 2 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN PROGRESS**

Particulars	Closing gross carrying amount as on 01.04.2023	Additions	Disposals	Closing gross carrying amount as on 31.03.2024	Closing accumulated depreciation as on 01.04.2023	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2024	Net carrying amount as at 31 March 2024
Freehold Land	571.97	-	-	571.97	-	-	-	-	571.97
Buildings	373.27	85.92	-	459.19	69.73	12.22	-	81.95	377.24
Office Building	2.87	-	-	2.87	.27	.05	-	.33	2.54
Furniture and Fixtures	88.70	29.90	-	118.61	25.25	8.50	-	33.74	84.86
Car	152.91	-	-	152.91	57.25	18.98	-	76.23	76.68
Tanker	381.86	240.14	-	622.00	125.21	63.26	-	188.47	433.53
Electric Installation	82.46	11.72	-	94.18	10.03	8.20	-	18.23	75.95
Air Conditioner	9.81	5.88	-	15.68	3.96	1.99	-	5.96	9.73
Computer	30.01	15.77	-	45.77	18.12	6.45	-	24.57	21.20
Software	57.92	-	-	57.92	9.13	18.47	-	27.60	30.32
Office Equipment	16.78	12.38	-	29.16	5.30	3.95	-	9.26	19.90
Plant & Machinery	3683.83	1673.38	-	5357.21	596.76	265.82	-	862.58	4494.63
R&D Equipment	89.69	3.81	-	93.51	6.40	5.94	-	12.34	81.17
<b>Total</b>	<b>5542.07</b>	<b>2078.90</b>	<b>-</b>	<b>7620.97</b>	<b>927.41</b>	<b>413.84</b>	<b>-</b>	<b>1341.25</b>	<b>6279.72</b>
Ind-As 116	38.69	-	-	38.69	21.49	9.63	-	21.49	17.20
<b>Total</b>	<b>5580.76</b>	<b>2078.90</b>	<b>-</b>	<b>7659.66</b>	<b>948.90</b>	<b>423.47</b>	<b>-</b>	<b>1362.74</b>	<b>6296.92</b>

Particulars	Gross carrying amount as on 1st April, 2022	Additions	Disposals	Closing gross carrying amount as on 31.03.2023	Accumulated depreciation 1st April 2022	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2023	Net carrying amount as at 31 March 2023
Freehold Land	571.97	-	-	571.97	-	-	-	-	571.97
Buildings	214.46	158.81	-	373.27	57.83	11.90	-	69.73	303.55
Office Building	2.87	-	-	2.87	.22	.05	-	.27	2.60
Furniture and Fixtures	67.07	21.63	-	88.70	18.92	6.33	-	25.25	63.46
Car	152.91	-	-	152.91	30.27	26.98	-	57.25	95.66
Tanker	156.80	225.06	-	381.86	80.25	44.96	-	125.21	256.65
Electric Installation	38.34	44.11	-	82.46	4.38	5.65	-	10.03	72.43
Air Conditioner	5.18	4.62	-	9.81	2.43	1.54	-	3.96	5.84
Computer	24.03	5.97	-	30.01	13.68	4.44	-	18.12	11.89
Software	1.12	56.80	-	57.92	.40	8.73	-	9.13	48.79
Office Equipments	7.91	8.87	-	16.78	3.49	1.81	-	5.30	11.47
Plant & Machinery	2018.33	1665.50	-	3683.83	457.00	139.76	-	596.76	3087.07
R&D Equipment	63.45	26.24	-	89.69	1.51	4.89	-	6.40	83.29
<b>Total</b>	<b>3324.44</b>	<b>2217.63</b>	<b>-</b>	<b>5542.07</b>	<b>670.38</b>	<b>257.03</b>	<b>-</b>	<b>927.41</b>	<b>4614.66</b>
Ind-As 116	38.69	-	-	38.69	11.86	9.63	-	21.49	17.20
<b>Total</b>	<b>3363.13</b>	<b>2217.63</b>	<b>-</b>	<b>5580.76</b>	<b>682.24</b>	<b>266.66</b>	<b>-</b>	<b>948.90</b>	<b>4631.86</b>

(₹ in Lakhs)

**NOTE 3 INVESTMENTS**

Particulars	31st March 2024	31st March 2023
<b>(A) Investment in Others - Quoted*</b>		
Bank of Baroda	-	-
1640 Equity shares FV Rs. 2 each	4.33	2.77
<b>Total</b>	<b>4.33</b>	<b>2.77</b>

**NOTE 4 INVESTMENTS**

Particulars	31st March 2024	31st March 2023
<b>Non-Current</b>		
Deposit with CESC	70.87	67.43
<b>Total</b>	<b>70.87</b>	<b>67.43</b>
<b>Current</b>		
Security Deposits	36.23	7.31
<b>Total</b>	<b>36.23</b>	<b>7.31</b>

**NOTE 5 DEFERRED TAX LIABILITY (NET)**

Particulars	31st March 2024	31st March 2023
<b>Deferred Tax Assets:</b>		
<b>Timing difference on account of:</b>		
Defined benefit obligations	88.27	79.25
<b>Deferred Tax Assets (A)</b>	<b>88.27</b>	<b>79.25</b>
<b>Less : Deferred Tax Liabilities</b>		
<b>Timing difference on account of:</b>		
Property, plant and equipment	-420.55	-411.84
<b>Deferred Tax Liabilities (B)</b>	<b>-420.55</b>	<b>-411.84</b>
<b>Deferred Tax Asset (Net)</b>	<b>-332.28</b>	<b>-332.59</b>

**NOTE 6 INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE) \***

Particulars	31st March 2024	31st March 2023
Raw Materials	1132.46	158.67
Finished goods	846.39	934.28
Stores and spares	232.81	162.44
<b>Total</b>	<b>2211.66</b>	<b>1255.39</b>

\* As taken, valued and certified by the management

**NOTE 7 TRADE RECEIVABLES**

Particulars	31st March 2024	31st March 2023
Considered Good- Secured	-	-
Considered Good- Unsecured	3429.74	3202.19
Considered Good- Doubtful	-	-
Less : Provision for Doubtful Debts	-	-
Unsecured, Considered Doubtful	-	-
<b>Total</b>	<b>3429.74</b>	<b>3202.19</b>

Particulars	Outstanding for following periods from due date of payment#					2024
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3156.59	72.57	35.23	33.53	131.83	<b>3429.74</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables– considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						

Particulars	Outstanding for following periods from due date of payment#					2023
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2735.63	19.79	58.70	67.80	320.25	<b>3202.19</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables– considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						

# Ageing is considered from the date of transaction



(₹ in Lakhs)

**NOTE 8 CASH & BANK BALANCES**

Particulars	31st March 2024	31st March 2023
(a) Balances with banks		
(i) In Current Account	788.24	898.19
(b) Cash in hand	16.26	11.33
<b>Total Cash and Cash Equivalents</b>	<b>804.50</b>	<b>909.52</b>

**NOTE 9 OTHER BANK BALANCES**

Particulars	31st March 2024	31st March 2023
Earmarked Balances		
-Margin Money	140.38	168.17
Other Deposit Account	561.27	522.16
-Deposit accounts with maturity beyond three months upto twelve months		
<b>Total</b>	<b>701.66</b>	<b>690.33</b>

**NOTE 10 LOANS**

Particulars	31st March 2024	31st March 2023
<b>Non-Current</b>		
Loan to Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
<b>Loan To Others</b>	288.39	194.21
Loan to Related Party	-	-
<b>Total</b>	<b>288.39</b>	<b>194.21</b>

\* This represents the interest portion of books subsequently by subsidiaries

**NOTE-11 CURRENT TAX ASSETS**

Particulars	31st March 2024	31st March 2023
<b>Non-Current</b>		
Advance tax including TDS & MAT Credit	508.07	351.99
Prov. For Income Tax	-744.13	-467.30
<b>Total</b>	<b>-236.05</b>	<b>-115.31</b>

**NOTE 12 OTHER CURRENT ASSETS**

Particulars	31st March 2024	31st March 2023
<b>(i) Advances other than Capital Advances</b>		
Advance to Creditors	327.86	250.88
Other Receivables	644.58	37.59
Paid for NCLT purchase of RCHEM Pvt Ltd. (Ref: Note - 40B)	311.25	311.25
	1283.69	599.72
<b>(ii) Others</b>		
CENVAT/ Service Tax/ Sales Tax recoverable	101.37	98.53
GST Input (net of Output)	483.64	375.31
Advance to Suppliers	.00	.00
	585.00	473.84
<b>Total</b>	<b>1868.70</b>	<b>1073.56</b>

**NOTE 13 SHARE CAPITAL**

	31st March 2024		31st March 2023	
	Number	Amount (Rs)	Number	Amount (Rs)
<b>Authorized</b>				
Equity shares of Rs.10 each	33,750,000	337,500,000	33,750,000	337,500,000
		<b>337,500,000</b>		<b>337,500,000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
Equity shares of Rs.10 each	8,000,000	80,000,000	8,000,000	80,000,000
		<b>80,000,000</b>		<b>80,000,000</b>

**Details of the Shareholders holding more than 5% of Equity Shares of the Company**

Name of Shareholder	31st March 2024		31st March 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SUSHILA DEVI MUNDHRA	1,031,175	12.89	1,031,175	12.89
SURAJ RATAN MUNDHRA	791,627	9.90	791,627	9.90
SURAJ RATAN MUNDHRA HUF	670,005	8.38	670,005	8.38
ARC HOLDINGS LTD	1,223,380	15.29	1,223,380	15.29
MUKESH MUNDHRA	700,759	8.76	700,759	8.76

\* No Shares were either issued otherwise than for payment being received in cash or brought back or allotted as fully paid-up bonus shares in the proceeding five years from the date of this balance sheet

(₹ in Lakhs)

Reconciliation of shares outstanding at the beginning of the year and at the end of the reporting period

**EQUITY SHARES**

	31st March 2024		31st March 2023	
	Number	Amount (Rs)	Number	Amount (Rs)
At the beginning of the period	8,000,000	80,000,000	8,000,000	80,000,000
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>8,000,000</b>	<b>80,000,000</b>	<b>8,000,000</b>	<b>80,000,000</b>

**Rights, preferences and restrictions attached to shares both Equity Shares & Preference Shares**

**Equity Shares:** The company has one class of equity shares having a par value of Rs.10/-per share. Each shareholder is eligible for one vote per share held and rank pari passu. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**NOTE 14 OTHER EQUITY**

Particulars	31st March 2024	31st March 2023
General Reserve	-	-
Capital Reserve	.03	.03
Securities Premium Reserve	1122.50	1122.50
Retained earnings	4694.01	3564.01
Other comprehensive income	-66.53	-61.86
<b>Total</b>	<b>5750.01</b>	<b>4624.68</b>

**NOTE 15 BORROWINGS**

Particulars	31st March 2024	31st March 2023
<b>Non - Current</b>		
<b>Secured</b>		
Vehicle loan from Bank (Hypothecation of Vehicle) <sup>(1)</sup>	359.92	223.82
	359.92	223.82
<b>Unsecured</b>		
Loan from Body Corporate	915.52	315.08
Loan from Others	267.78	179.80
Loan from Other Bank	231.24	315.54
	1414.54	810.42
<b>Total</b>	<b>1774.46</b>	<b>1034.25</b>
<b>Current</b>		
<b>Secured</b>		
Other loans from banks		
Fund Based - Cash Credit <sup>(2)</sup>	309.62	535.91
Current Maturity of Long-term Debt	134.88	94.43
<b>Unsecured</b>		
Loan from NBFC	386.63	156.83
Loan from Other Bank	281.45	191.52
<b>Total</b>	<b>1112.58</b>	<b>978.68</b>

(₹ in Lakhs)

- (1) EMI amounting to Rs 18731/-per instalments of Car payable in 60 instalments of which 49 instalments has been paid.
- (1) EMI amounting to Rs 9619/-per instalments of Car payable in 60 instalments of which 48 instalments has been paid.
- (1) EMI amounting to Rs 14769/-per instalments of Car payable in 48 instalments of which 28 instalments has been paid.
- (1) EMI amounting to Rs 26058/-per instalments of Car payable in 60 instalments of which 31 instalments has been paid.
- (1) EMI amounting to Rs 32465/-per instalments of Car payable in 48 instalments of which 35 instalments has been paid.
- (1) EMI amounting to Rs 35033/-per instalments of Car payable in 60 instalments of which 26 instalments has been paid.
- (1) EMI amounting to Rs 42581/-per instalments of Car payable in 60 instalments of which 34 instalments has been paid.
- (1) EMI amounting to Rs 129686/-per installment per truck for 5 trucks payable in 58 installments of which 8 installments have been paid.

(2) Secured by Hypothecation of Raw Material, Work in Progress, Finished Goods, Consumable Spares, Book Debts, Power of Attorney for Book Debts and 1st Pari Passu charge with CBI as a Consortium member. Common Collateral immovable property, Plant & Machinery at Rampur (Budge Budge), Personal Guarantee of Ajay Kumar Mimani, Mukesh Mundhra, Vijay Mimani, Suraj Ratan Mundhra. Corporate guarantee of PBC Carrier Pvt. Ltd., Super Polychem Industries Ltd. and Exclusive charges on FD of Rs 2.00Cr. along with accrude interest thereon.

**Note 16 Other Financial Liabilities**

Particulars	31st March 2024	31st March 2023
<b>Non - Current</b>		
Advance against Development	-	-
	-	-
<b>Current</b>		
Sundry liabilities for expense	224.78	149.92
	<b>224.78</b>	<b>149.92</b>
<b>Total</b>	<b>224.78</b>	<b>149.92</b>

**Note 17 Provisions**

Particulars	31st March 2024	31st March 2023
<b>Non - Current</b>		
Provision for Employee Benefits		
(a) Provision for Leave Encashment	33.87	30.76
(b) Provision for Gratuity	185.14	210.04
<b>Total</b>	<b>219.01</b>	<b>240.80</b>
<b>Current</b>		
(a) Provision for Employee Benefits	104.71	57.11
(b) Provision for Gratuity	71.29	26.08
(c) Provision for Leave Encashment	12.81	5.27
<b>Total</b>	<b>188.81</b>	<b>88.47</b>

(₹ in Lakhs)

**NOTE 18 TRADE PAYABLES**

Particulars	31st March 2024	31st March 2023
Outstanding dues to Micro and Small enterprises	-	-
Outstanding dues to parties other than Micro and Small enterprises	4951.93	3433.79
*Details of dues to Micro Enterprises and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 (MSME Act) are based on information made available to the Company.		
<b>Total</b>	<b>4951.93</b>	<b>3433.79</b>

**Disclosure under MSMED Act.**

a. the principal amount and the interest due thereon remaining unpaid to any supplier the end of accounting year	-	-
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Particulars	Outstanding for following periods from the due date of payment#				For 2023-24
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4876.48	29.77	31.54	14.14	4951.93
(iii) Disputed dues – MSME					

Particulars	Outstanding for following periods from the due date of payment#				For 2022-23
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	3404.66	9.84	4.79	14.51	3433.79
(iii) Disputed dues – MSME					

# Ageing is considered from the date of transaction

**NOTE 19 OTHER CURRENT LIABILITIES**

Particulars	31st March 2024	31st March 2023
Statutory Liabilities	24.32	31.02
Advance from Customer	80.40	186.11
<b>Total</b>	<b>104.73</b>	<b>217.13</b>

**NOTE 20 REVENUE FROM OPERATIONS**

Particulars	31st March 2024	31st March 2023
<u>Sale of products (including excise duty)</u>		
Domestic Sales	13272.59	9165.72
Export Sales	5672.48	7250.64
	18945.07	16416.36
<u>Other Operating revenues</u>		
Duty Drawback	55.98	36.78
Export Incentive	71.35	52.77
	127.32	89.56
<b>Total revenue from continuing operations</b>	<b>19072.39</b>	<b>16505.92</b>

**NOTE 21 OTHER INCOME**

Particulars	31st March 2024	31st March 2023
<u>Interest Income</u>		
Bank Interest Received	54.70	40.68
Dividend Income	20.76	2.22
	75.46	42.90
<u>Other non-operating income</u>		
Others	194.16	300.59
	194.16	300.59
<b>Other Income</b>	<b>269.62</b>	<b>343.49</b>

**NOTE 22 COST OF RAW MATERIALS & COMPONENT CONSUMED**

Particulars	31st March 2024	31st March 2023
Inventory at the beginning of the year	158.67	178.87
Add:- Purchases	14807.20	12073.16
	14965.87	12252.03
Less:- Inventory at the end of year	1132.46	158.67
<b>Cost of Raw Materials Consumed</b>	<b>13833.41</b>	<b>12093.36</b>

(₹ in Lakhs)

**NOTE 23 (INCREASE)/DECREASE IN INVENTORY**

Particulars	31st March 2024	31st March 2023
Inventories at the end of the Year		
Finished goods	846.39	934.28
	846.39	934.28
Inventories at the beginning of the Year		
Finished goods	934.28	784.34
	934.28	784.34
<b>(Increase)/Decrease In Inventory</b>	<b>87.89</b>	<b>-149.94</b>

**NOTE 24 EMPLOYEE BENEFIT EXPENSES**

Particulars	31st March 2024	31st March 2023
(a) Salaries, Wages and Incentives	901.95	832.95
(b) Contribution to Provident and Other funds	58.44	66.93
(c) Staff Welfare Expenses	19.49	103.13
<b>Total</b>	<b>979.88</b>	<b>1003.01</b>

**NOTE 25 FINANCE COST**

Particulars	31st March 2024	31st March 2023
Interest Expense	219.07	171.31
Other Borrowing Cost	87.96	22.59
<b>Total</b>	<b>307.03</b>	<b>193.90</b>

**NOTE 26 OTHER EXPENSES**

Particulars	31st March 2024	31st March 2023
Rent	74.23	20.90
Carriage Outward	350.75	207.03
Research & Development	100.26	141.11
Travelling & Conveyance	142.53	105.14
Repairs & Maintenance		
- Machinery	115.57	78.01
- TRUCK & TANKER	52.91	30.24
Telephone & Postage Expenses	10.51	10.63
Insurance Expenses	5.97	11.02
Filing fees, Rates & Taxes	24.83	42.66
Payment to Auditors		
- Statutory Audit Fees	4.73	3.78
- Tax Audit Fees	.30	.25
- Quarterly Review	1.00	-
- Other Matter	.07	
Legal & Consultancy Charges	195.16	99.51
TRUCK & TANKER INSURANCE & OTHER TAX	98.20	81.27
Subscription & Donation	55.43	60.84
Miscellaneous Expenses	299.75	174.12
Export Expenses	644.02	653.38
Import Expenses	20.14	7.07
Loading & Unloading Expenses	43.28	45.65
Write Off	-	-
<b>Total</b>	<b>2239.63</b>	<b>1772.60</b>

**NOTE 27 EARNINGS PER SHARE**

Particulars	31st March 2024	31st March 2023
a) Net profit attributable to the shareholders (PAT)	1130.00	1167.39
b) Weighted average no. of equity share of face value of ₹ 10/- each	80,00,000	80,00,000
Basic earnings per share	14.12	14.59
c) Weighted average potential no. of equity shares	80,00,000	80,00,000
Diluted earnings per share	14.12	14.59



(₹ in Lakhs)

**NOTE 28 INCOME TAX RECONCILIATION**

Reconciliation of Accounting profit and tax expense	31st March 2024	31st March 2023
Profit before tax	1465.04	1669.82
Tax at the Indian tax rate of 29.12% (previous year - 29.12%)	426.18	489.23
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Companies Act Depreciation	124.96	77.65
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Income Tax Act Depreciation	228.69	241.24
Tax effect of other adjustments	-12.89	-8.81
Impact of Unabsorbed Depreciation	-	-
MAT Impact	-	-
<b>Income Tax Recognized in Profit &amp; Loss account (MAT)</b>	<b>335.35</b>	<b>334.46</b>

**NOTE 29 RELATED PARTY TRANSACTIONS**

Disclosure of related party transactions in terms of Ind AS 24 is given below.

(i) Key Managerial Personnel

 (a) **Name of the related parties with relationship:**

- i) Mr. Suraj Ratan Mundhra, Director – Key Management Personnel
- ii) Mr. Mukesh Mundhra, Director – Key Management Personnel
- iii) Mr. Ajay Kumar Mimani, Director – Key Management Personnel
- iv) Mr. Rajesh Mundhra, Director - Key Managerial Personnel
- v) Navneet Bagri, CFO - Key Managerial Personnel
- vi) Subhankar Paul, Company Secretary - Key Managerial Personnel

 (b) **Transactions with the related parties during the year:**

Particulars	Remuneration		Loans & Advances given	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Key Management Personnel	121.89	105.29	Nil	Nil
Relative of KMP	Nil	Nil	Nil	Nil
Closing Balance	8.82	10.16	Nil	Nil

**NOTE 30 EMPLOYEE BENEFITS:**

 a) **Present Value of Obligations for Defined Benefits:**

Particulars	Leave Encashment as on 31st March 2024	Leave Encashment as on 31st March 2023	Gratuity (Funded) as on 31st March 2024	Gratuity (Funded) as on 31st March 2023
As at the beginning of the year	36.03	34.60	236.12	238.67
Current Service Cost	6.44	4.00	14.17	12.32
Interest Cost	2.61	2.42	17.12	16.71
Actuarial (Gains)/Losses	4.99	.13	1.23	-2.06
Benefits paid	-3.40	-5.13	-12.21	-29.51
As at the end of year	46.69	36.03	256.43	236.12

(₹ in Lakhs)

**b) Fair Value of Planned Assets:**

Particulars	Leave Encashment as on 31st March 2024	Leave Encashment as on 31st March 2023	Gratuity (Funded) as on 31st March 2024	Gratuity (Funded) as on 31st March 2023
As at the beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contribution by Employer	3.40	5.13	12.21	29.51
(Benefits Paid)	-3.40	-5.13	-12.21	-29.51
As at the end of the year	-	-	-	-

**c) Key results (The amount to be recognized in the Balance Sheet):**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Present value of the obligation at the end of the period	46.69	36.03	256.43	236.12
Fair value of plan assets at end of period	-	-	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	46.69	36.03	256.43	236.12
Funded Status - Surplus/ (Deficit)	-46.69	-36.03	-256.43	-236.12

**d) Expense recognized in the statement of Profit and Loss:**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Interest cost	2.61	2.42	17.12	16.71
Current service cost	6.44	4.00	14.17	12.32
Past Service Cost	-	-	-	-
Expected return on plan asset	-	-	-	-
Expenses to be recognized in P&L	9.06	6.43	31.28	29.02

**e) Other comprehensive (income) / expenses (Remeasurement)**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Cumulative unrecognized actuarial (gain)/loss opening. B/F	7.92	7.78	59.03	61.09
Actuarial (gain)/loss - obligation	4.99	.13	1.23	-2.06
Actuarial (gain)/loss - plan assets	.00	-	-	-
Total Actuarial (gain)/loss	4.99	.13	1.23	-2.06
Cumulative total actuarial (gain)/loss. C/F	12.91	7.92	60.26	59.03

**f) Net Interest Cost**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Interest cost on defined benefit obligation	-	-	17.12	16.71
Interest income on plan assets	-	-	-	-
Net interest cost (Income)	-	-	17.12	16.71

(₹ in Lakhs)

**g) Experience adjustment:**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Experience Adjustment (Gain ) / loss for Plan liabilities	4.99	.60	1.23	.69
Experience Adjustment Gain / (loss) for Plan assets	-	-	-	-

**h) Summary of membership data at the date of valuation and statistics based thereon:**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Number of employees	224	172	224	.00
Total monthly salary	33.99	25.85	33.99	25.85
Average Past Service(Years)	11.7	15.5	11.7	15.5
Average Future Service (yrs)	18.4	13.8	18.4	13.8
Average Age(Years)	41.6	46.2	41.6	46.2
Total Leave With Cap/Without Cap	0.08/0.09	0.07/0.08	-	-
Total CTC / Availment Rate	67.98 / 3%	51.70/ 3%	-	-
Weighted average duration (based on discounted cash flows) in years	10	9	6	7
Average monthly salary	.15	.15	.15	.15

**i) Actuarial assumptions provided by the company and employed for the calculations are tabulated:**

Discount rate	7.25 % per annum	7.25 % per annum	7.25 % per annum	7.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.

(₹ in Lakhs)

**j) Benefits valued:**

Normal Retirement Age	60 Years	60 Years	60 Years	60 Years
Salary	As per rules of the company	As per rules of the company	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	-	-	5 Years of service	5 Years of service
Benefits on Normal Retirement	1/30 * Salary * Number of leaves.	1/30 * Salary * Number of leaves.	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).
Benefit on early exit due to death and disability	As above, subject to rules of the company.	As above, subject to rules of the company.	As above except that no vesting conditions apply.	As above except that no vesting conditions apply.
Limit	-	-	20.00	20.00
Benefit on death	As above, subject to rules of the company.	As above, subject to rules of the company.	-	-

**k) Current Liability (\*Expected payout in next year as per schedule III of the Companies Act, 2013):**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Current Liability (Short Term)*	12.81	5.27	71.29	26.08
Non-Current Liability (Long Term)	33.87	30.76	185.14	210.04
Total Liability	46.69	36.03	256.43	236.12

**l) Effect of plan on entity's future cash flows**
**l) (i): Funding arrangements and funding policy**

Not Applicable

**l) (ii): Expected contribution during the next annual reporting period**

The Company's best estimate of Contribution during the next year	-	-	20.31	16.62
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**l) (iii): Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.**

01 Apr 2024 to 31 Mar 2025	-	71.28
01 Apr 2025 to 31 Mar 2026	-	19.27
01 Apr 2026 to 31 Mar 2027	-	28.74
01 Apr 2027 to 31 Mar 2028	-	25.68
01 Apr 2028 to 31 Mar 2029	-	20.06
01 Apr 2029 Onwards	-	91.39

**m) Projection for next period:**

Best estimate for contribution during next Period	-	20.31
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(₹ in Lakhs)

n) **Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:**

Period	31st March 2024	31st March 2023
Defined Benefit Obligation (Base)	4668702	2,56,42,581 @ Salary Increase Rate : 5%, and discount rate :7.25%
Liability with x% increase in Discount Rate	44,12,582; x=1.00% [Change (5)% ]	2,45,35,500; x=1.00% [Change (4)% ]
Liability with x% decrease in Discount Rate	49,60,355; x=1.00% [Change 6% ]	2,68,61,694; x=1.00% [Change 5% ]
Liability with x% increase in Salary Growth Rate	49,63,971; x=1.00% [Change 6% ]	2,68,76,398; x=1.00% [Change 5% ]
Liability with x% decrease in Salary Growth Rate	44,05,087; x=1.00% [Change (6)% ]	2,45,02,416; x=1.00% [Change (4)% ]
Liability with x% increase in Withdrawal Rate	47,10,802; x=1.00% [Change 1% ]	2,57,49,060; x=1.00% [Change 0% ]
Liability with x% decrease in Withdrawal Rate	46,21,722; x=1.00% [Change (1)% ]	2,55,25,453; x=1.00% [Change 0% ]

**o) Reconciliation of liability in balance sheet**

Period	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Opening gross defined benefit liability/ (asset)	36.03	34.60	236.12	238.67
Expenses to be recognized in P&L	9.06	6.43	31.28	29.02
OCI- Actuarial (gain)/ loss-Total current period	4.99	.13	1.23	-2.06
Benefits paid (if any)	-3.40	-5.13	-12.21	-29.51
Closing gross defined benefit liability/ (asset)	46.69	36.03	256.43	236.12

**p) Defined Contribution Plans**

Provident Fund for certain eligible employees is administered by the Company through Employees Provident Fund as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

The amount contributed is recognized as an expense and included in "Company's contributions to PF & other funds" of Statement of Profit and Loss account is Rs.25.96 lakhs (LY Rs.30.88 lakhs).

**Notes**

(a) The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(b) Discount rate is based upon the market yields available on Government Bonds at the accounting date with that of liabilities.

**NOTE 31**

The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence disclosure relating to the amount unpaid at year-end together with interest paid/payable have been given based on the information so far available with the Company / identified by the Company management.

**NOTE 32 EXPENDITURES IN FOREIGN CURRENCY:**

Particulars	31st March 2024	31st March 2023
Travelling	26.74	12.41
Professional for R & D Expenses	-	5.32
Commission	NIL	NIL
Business Development Expenses	8.46	6.91

**NOTE 33 EARNINGS IN FOREIGN CURRENCY**

Particulars	31st March 2024	31st March 2023
Value of Exports on FOB basis	5672.48	7250.64
Brokerage and Commission received	NIL	NIL

**NOTE 34 CIF VALUE OF IMPORTS**

Particulars	31st March 2024	31st March 2023
Raw Materials	3670.17	450.64

**NOTE 35 CONTINGENT LIABILITIES**

- a) Claims against the company not acknowledged as debt (In lakhs):
- Demand under Central Excise act, 1944 and Finance act, 1944 for the period from 2003-04, against which appeal was filed before Commissioner appeal- Rs. 17.68 lakhs
  - The case of excise pending in Tribunal involving an amount of Rs. 396.34 lakhs against which Rs. 74.34 lakhs paid towards security deposit.
  - Cases of sales tax amounting to Rs. 115.42 lakhs are pending before Deputy Commissioner of Commercial Tax and Rs. 137.04 lakhs from 2005-06 before Joint Commissioner of sales tax.
  - In Income tax, an appeal has been filed by the department against relief granted by income tax Appellate Tribunal, which is pending in High Court, Calcutta-Rs. 640.78 lakhs for 1988-98. And Rs 316.97 lakhs case is pending before Commissioner (Appeal) for the period.
    - The position of both the units (Hid Road & Budge Budge) has been handed over back to KOPT along with the stocks which are having recoverable value more than the rent payable, Since the matter is sub judice we have ignored the value of recoverable from the company has provided for rent payable.
    - On Account of LC and Bank Guarantee Rs 6,83,98,427/- and 45,00,000/- respectively.
- b) Capital and other commitments: Rs. Nil (Previous Year - Rs. Nil)

**NOTE 36 CAPITAL MANAGEMENT**

The Company's objective when managing capital (defined as net debt and equity) are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company. The Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

(₹ in Lakhs)

**NOTE 37**

The charge of dues of IDBI Bank now taken over by Stressed Assets Stabilization Fund (SASF) and WBIDCL has not yet been filed in connection with the satisfaction of charge on ROC portal, despite full and final payment made as per the scheme approved by the Hon'ble Calcutta High Court.

Since SASF has failed to issue NOC as stipulated in the scheme, the company has filed a petition before the Hon'ble Calcutta High Court on the ground of breach of terms and conditions of the scheme. The matter is pending before Hon'ble Calcutta High Court. The matter for NOC with WBIDCL is being followed

**NOTE 38 GEARING RATIO**

Particulars	31st March 2024	31st March 2023
Debt	1909.34	1128.68
Cash and Bank balance	804.50	909.52
<b>Net Debt</b>	1104.84	219.16
<b>Total Equity</b>	6550.01	5424.68
Net debt to Equity ratio/ Gearing Ratio	0.17	0.04

**NOTE 39 DISCLOSURE ON FINANCIAL INSTRUMENTS**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

**(a) Financial assets and liabilities**

The following table presents the carrying value and fair value of each category of financial assets and liabilities as on 31st March 2024 and as on 31st March 2023.

Financial Assets Measured at Amortized Cost	Current		Non Current	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Trade receivables	3429.74	3202.19	-	-
Cash and cash equivalents	804.50	909.52	-	-
Other Bank Balances	701.66	690.33	-	-
Loans	288.39	194.21	-	-
Other Financial Assets	36.23	7.31	70.87	67.43
<b>Measured at fair value through OCI</b>				
Investments	-	-	4.33	2.77
<b>Total Financial Assets</b>	5260.52	5003.55	75.20	70.20

Financial Liabilities at Amortized Cost	Current		Non-Current	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Borrowings	1112.58	191.52	1774.46	1034.25
Lease Liabilities	19.24	8.03	9.49	19.76
Trade payables	4951.93	3433.79	-	-
Other financial liabilities	224.78	149.92	-	-
<b>Total Financial Liabilities</b>	6308.53	3783.25	1783.95	1054.01

**NOTE 40A**

Balance confirmations are matched in respect of trade receivables and trade payables. In the opinion of the management, it is unlikely that there will be any major reconciliation difference with material impact on the carrying amounts of these assets and liabilities as reflected in these financial statements.

**NOTE 40B**

As per NCLT Order, we purchased RCHEM Industries Pvt. Ltd. in consideration of Rs 3,01,25,000/- but the shares of the Company have not been transferred in the name of ARCL Organics Ltd as on 31/03/2023. So that the M/s RCHEM Industries Pvt. Ltd. is not considered a Subsidiary Company of ARCL Organics Ltd. In this regards the transferred value is shown under Other Current Assets in Note no.-12.

**NOTE 41 FINANCIAL RISK MANAGEMENT**

The Company's business activities are exposed to a variety of risks including liquidity risk, credit risk, and market risk. The Company seeks to minimize the potential adverse effects of these risks by managing them through a structured process of identification, assessment, and prioritization of risks followed by coordinated efforts to monitor, minimize and mitigate the impact of such risks on its financial performance and capital. For this purpose, the Company has laid comprehensive risk assessment and minimization/mitigation procedures, which are reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed to ensure that executive management controls risks by way of a properly defined framework. The Company does not enter into derivative financial instruments for speculative purposes. The following table explains the sources of risk and how the entity manages the risk in its financial statements. The management reviews the status of all principal risks with a significant potential impact. Additionally, the Audit Committee carried out focused risk reviews of its Plant and divisions. These reviews included an analysis of both the principal risks and the controls, monitoring, and assurance processes established to mitigate those risks to acceptable levels. As a result of these reviews, several actions were identified to continue to improve internal controls and the management of risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost.	Aging analysis, Credit analysis	Credit limits and analysis of creditworthiness
Liquidity Risk	Borrowings and other liabilities.	Cash Flow forecasts	Timely evaluation of Credit facilities and regularly payment interest liabilities
Market Risk – foreign exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow forecasts	Monitoring of currency exchange rate movement.
Market Risk – interest rate	Long Term Borrowings/Liabilities	...	Monitoring of interest rate movements
Market Risk – security prices	Investment in Securities	...	Portfolio Management

**a) Credit Risk**

Credit Risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract leading to financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. The company generally doesn't have collateral



(₹ in Lakhs)

Customer credit risk is managed by business through the company's established policy, procedures, and controls relating to customer credit risk management. The credit quality of each customer is assessed, and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

The aging of Trade receivables i.e. receivable which are post due (net of allowances/provisions) are below:

Age of receivables	31st March 2024	31st March 2023
Less than six months	3156.59	2735.63
More than six months	273.15	466.55

#### b) Liquidity Risk

The company's objective is to at all times maintain the optimum level of liquidity to meet its cash and collateral requirement at all times. The current committed lines of credit are sufficient to meet its short to medium-term expansion needs and hence evaluate the concentration of risk with respect to liquidity as low. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The company primarily depends on its own funds and has a low level of borrowing.

#### c) Market Risk

Market risk is the risk that the fair value of future cash flow of financial instruments may fluctuate because of changes in market conditions. Market risk broadly comprises three types of risks namely currency risk, interest rate risk, and price risk (for commodities or equity instruments).

(i) Foreign Exchange Risk - The company operates only in India and has not entered into any foreign exchange or commodity derivative contracts. Accordingly, there is no significant exposure to market risk.

(ii) Interest Rate Risk - As a majority of the financial assets and liabilities of the Company are fixed interest-bearing instruments, the Company's net exposure to interest risk is negligible.

(iii) Security Price Risk - The company's exposure to securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or fair value through Profit or Loss. To manage the price risk arising from investments, the company diversifies its portfolio. The diversification of a portfolio is done in accordance with the directions of the Board.

#### NOTE 42

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	31st March 2024	31st March 2023	31st March 2024	31st March 2023
	USD	EURO	USD	EURO
<b>Financial Assets</b>				
Trade Receivables	14.67	.11	9.81	4.49
<b>Financial Liabilities</b>				
Trade Payables	10.37	-	-	-

#### NOTE 43 EXPENDITURE ON RESEARCH AND DEVELOPMENT

During the year company incurred Rs. 3,81,563/- for the purchase of Research and Development equipment in Fixed Assets and incurred expenses disclose in Note 26 of Rs. 1,00,25,550/-

(₹ in Lakhs)

Details of Research & Development expenses incurred during the year, debited under various heads of Statement of Profit and Loss is given below:

Particulars	31st March 2024	31st March 2023
Employees benefits expense	77.01	124.10
Miscellaneous expenses	23.24	17.01

Details of Capital expenditures incurred for Research & Development are given below:

Particulars	31st March 2024	31st March 2023
Capital Expenditure	3.81	26.24

#### NOTE 44

(i) Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(ii) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder and company has not been declared as willful defaulter by and bank or institution or other lender.

(iii) To the best of the information available, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iv) The Company does not have a policy of closing its books on a quarterly basis and preparing quarterly financials.

(v) Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries.

#### NOTE 45 DETAILS OF CSR EXPENDITURE

Corporate Social Responsibility (CSR)

Particulars	31st March 2024	31st March 2023
(i) amount required to be spent by the company during the year	19.71	13.58
(ii) amount of expenditure incurred	20.00	13.67
(iii) shortfall at the end of the year	-	-
(iv) total of previous years shortfall	-	-
(v) reason for shortfall,	-	-
(vi) nature of CSR activities	Primary Health & Education	Primary Health & Education

(₹ in Lakhs)

(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	5,00,000 for health care at Rudraprayag (Chairman of the Company is the trustee of Trust)	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

**Auditor's Remuneration**

Particulars	31st March 2024	31st March 2023
As Auditor:		
Audit fees	4.20	3.25
Tax audit fees	.30	.25
Limited Review	1.00	
Reimbursement of expenses		
Others	.07	-
<b>Total</b>	<b>5.57</b>	<b>3.50</b>

**NOTE 46 NOTES ON SEGMENT REPORTING TO BE INCLUDED BY UPDATING THE BELOW LANGUAGE.**

The Company is engaged in the business of manufacturing and selling of Phenolics, Amino Resins, Melamine Resins and Formaldehyde. Based on the nature of products, production process, regulatory environment, customers, and distribution methods there are no reportable segment(s) other than “Chemicals and Allied Products”

**NOTE 47 PARTICULARS OF DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE:**

Particulars of Unhedged foreign currency exposure:	31st March 2024		31st March 2023	
	Amount in Foreign Currency US\$	Amount	Amount in Foreign Currency US\$	Amount
Purchase of Raw Material				
a) Creditors	10.37	868.55	-	-
b) Buyer's Credit	-	-	-	-
Hedged Foreign Currency	-	-	-	-
Buyers Credit (USD)	-	-	-	-

Particulars of Unhedged foreign currency exposure:	31st March 2024		31st March 2023	
	Amount in Foreign Currency US\$	Amount	Amount in Foreign Currency US\$	Amount
Purchase of Traded Goods				
a) Creditors	-	-	-	-
b) Buyer's Credit	-	-	-	-
Hedged Foreign Currency	-	-	-	-
Buyers Credit (USD)	-	-	-	-

**NOTE 48 LEASE LIABILITY**

Particulars	31st March 2024			31st March 2023		
	Non Current	Current	Total	Non Current	Current	Total
Opening	19.76	8.03	18.93	19.76	8.03	27.79
Addition	16.27	9.60	25.87	-	-	-
Interest Cost	-	-	.66	-	-	2.12
Deletion	-	-	-	-	-	-
Lease Payment	-	-	16.72	-	-	10.98
Closing	36.03	17.63	28.73	19.76	8.03	18.93

The Table below provides details regarding the contractual maturities of lease liabilities as on undiscounted basis.

Particulars	31st March 2024	31st March 2023
Less than one year	17.63	8.03
More than one year but less than five years	36.03	19.76
More than Five Years	-	-
<b>Total</b>	<b>53.66</b>	<b>27.79</b>

**NOTE 49 ASSETS PLEDGED AS SECURITY**

The carrying amounts of assets pledged as security for current borrowings are:

Particulars	31st March 2024	31st March 2023
<b>Current</b>		
<b>Financial assets</b>		
<b>First charge</b>		
<b>Margin Money</b>		
Inventories	2211.66	1255.39
Trade Receivable	3414.82	3191.39
<b>Non-financial assets</b>		
<b>Total current assets pledged as security</b>	<b>5766.86</b>	<b>4614.96</b>
<b>Non-current</b>		
<b>Financial assets</b>		
<b>First charge</b>		
<b>Fixed Deposit</b>	<b>561.27</b>	<b>522.16</b>

(₹ in Lakhs)

<b>Non-financial assets</b>		
<b>Total non-currents assets pledged as security</b>	561.27	522.16
<b>Total assets pledged as security</b>	6328.13	5137.11

**NOTE 50 REVENUES FROM SALE OF MAJOR PRODUCTS IN TERMS OF TYPE OF SALE / CUSTOMER AND BASED ON PRIMARY GEOGRAPHICAL MARKET:**

<b>Particulars</b>	<b>31st March 2024</b>	<b>31st March 2023</b>
<b>Type of Goods &amp; Services</b>		
Amino Powder	4359.79	4284.34
AQUA-SB	2323.96	2092.70
EPOXY RESIN	110.96	161.22
FMLD	7904.78	4022.45
Liquid	6.17	-
PF POWDER	3343.94	4844.39
PHENOLICS	561.26	392.92
TRADING SALES	334.21	618.34
<b>Total</b>	<b>18945.07</b>	<b>16416.36</b>
<b>Geographical Region</b>		
India	13272.59	9165.72
Overseas	5672.48	7250.64
	<b>18945.07</b>	<b>16416.36</b>
<b>Type of Sales</b>		
Manufactured	18610.86	15798.02
Traded	334.21	618.34
	<b>18945.07</b>	<b>16416.36</b>
<b>Type of customers</b>		
Government	-	-
Non-government	18945.07	16416.36
	<b>18945.07</b>	<b>16416.36</b>

**NOTE 51**

(₹ in Lakhs)

Additional Disclosure required in accordance with Schedule III to the Companies Act, 2013								
Name of Entity in the Group	Net Asset i.e. Total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
ARCL ORGANICS LTD	98.14	6428.43	94.71	1070.17	100	-4.66	95	1065.51
<b>Subsidiary</b>								
Allied Maritime & Infra Engineering Private Ltd	0.16	10.40	0.99	11.13	-	-	0.99	11.13
ARCL Petrochemicals Limited	0.11	7.02	0.75	8.46	-	-	0.75	8.46
Ocilim Advisory Services Private Ltd.	0.08	5.56	0.73	8.23	-	-	0.73	8.23
Wide Range Merchants Private Ltd.	0.07	4.50	0.75	8.42	-	-	0.75	8.42
Nocnex Chemicals Private Ltd.	0.13	8.62	0.83	9.41	-	-	0.84	9.41
Yocnex Chemicals Private Ltd.	0.10	6.36	0.70	7.88	-	-	0.70	7.88
Suksess Chemicals Private Ltd.	1.21	79.11	0.56	6.29	-	-	0.56	6.29
<b>Total</b>	100	6550.01	100	1130.00	100	-4.66	100	1125.33





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