



**ARCL**  
Adhesives, Resins & Chemicals



**ARCL  
Organics  
Limited**

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**30th ANNUAL  
REPORT  
2021-22**



**Board of Directors:**

Mr. Suraj Ratan Mundhra, Chairman & Managing Director  
Mr. Trinetra Gokarannath Bajpai, Independent director  
Mr. Mihir Kumar Ghosh, Independent director  
Mr. Rajesh Mundhra, Whole time director  
Mr. Mukesh Mundhra, Whole-time director  
Mr. Nilmani Rathi Independent director  
Mr. Ajay Kumar Mimani, Executive director

**Chief Financial Officer:**

Mr. Navneet Bagri

**Company Secretary:**

Mr. Subhankar Paul

**Statutory Auditors:**

M/s JSUS & Associates  
Chartered Accountants  
FRN: 329784E  
Pearl Apartment, 50B Kailash Bose Street  
Flat No. A/4/3 & 6, Kolkata 700006

**Registrar:**

Link Intime India Private Limited  
Vaishno Chamber,  
5th Floor, Flat Nos-502 & 503  
6, Brabourne Road,  
Kolkata - 700 001

**Internal Auditor:**

MIB & Co, Chartered Accountants,  
29/2, Salkia School Road, 4th Floor,  
Block-B, Howrah-711106

**Secretarial Auditor:**

KSN & Company, Company Secretaries  
1st Floor, 25 Rameshwar Malia Lane,  
Howrah-711101

**Solicitors:**

Khaitan & Co.  
Sandip Dutta & Co.

**Registered Office:**

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

**Factory:**

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

**Printed by:**

Taj Enterprise  
6, Monindra Nath Mitra Row, Kolkata-700009



CHAIRMAN SPEECH- 2022



**Dear ARCL family,**

I am pleased to present to you the 30th annual report for the fiscal year 2021-22. It is also a historical year for us as we achieved a milestone together crossing the rupees hundred crores annual turnover mark and clocking in Rs.141 Crores.

Ours has been a journey of many ups and downs, but it is our ARCL family of employees who has worked tirelessly to make this a success. As we continuously contribute to making our Prime Minister's 'Make in India' campaign a success in whichever capacity we can, we are taking every effort to ensure that our focus lies in producing import substitutes which will help in serving our nation.

The Indian Economy saw a whirlwind of events such as the third wave of the Covid-19 pandemic and a spike in inflation due to the Russia-Ukraine conflict. This also led to a weakened rupee, disruption in global supply chains and unprecedented fluctuation in raw material and commodity pricing. Despite such odds, our company emerged victorious, fulfilling Rs. 56 Crores worth of export.

The next 10 years are India's decade for the growth of chemical industries. The Russia-Ukraine conflict saw the demand for Speciality chemicals shifting to India, and Indian companies like ours are well positioned to take advantage of the situation. Moreover, India's speciality chemicals sector is well poised to capitalize on global tail winds and expand its global market share to 7% to 8% due to the 'China Plus One' strategy.

ARCL is a seasoned player in the formaldehyde and downstream chemicals market due to our long-term commitment and family-like relations with our stakeholders as well as our strong technical know-how in our processes and products. Keeping the same mother product base, we have diversified our product portfolio to cater to various industries such as feed, foundries, refractories, rubber and tyre, agriculture, etc.

To service our newly developed usages, we are building new capacities for drying, upgrading our paraformaldehyde plant and increasing capacities for feed additives. For our newly built Phenolic Novolac facilities, we are in the process of entering into a German collaboration. This will help us in doubling our exports as well as our domestic market sales.

We believe in the potential of the young generation who are full of energy, modern thoughts, new technological know-how and approaches. Since in the next 5 years, a generation of people will retire, we have started the process of inducting young technocrats and an enterprising new commercial team for a smooth transfer to the next generation. We have introduced an immersive training programme for the new generation to prepare them to take up the role of the older generation.

Due to some technical reasons, our re-listing got delayed but as per the latest developments, we have been assured by **SEBI** and **BSE** that trading would start by this current financial year

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.

Best Wishes,

**Suraj Ratan Mundhra**

Chairman & Managing Director



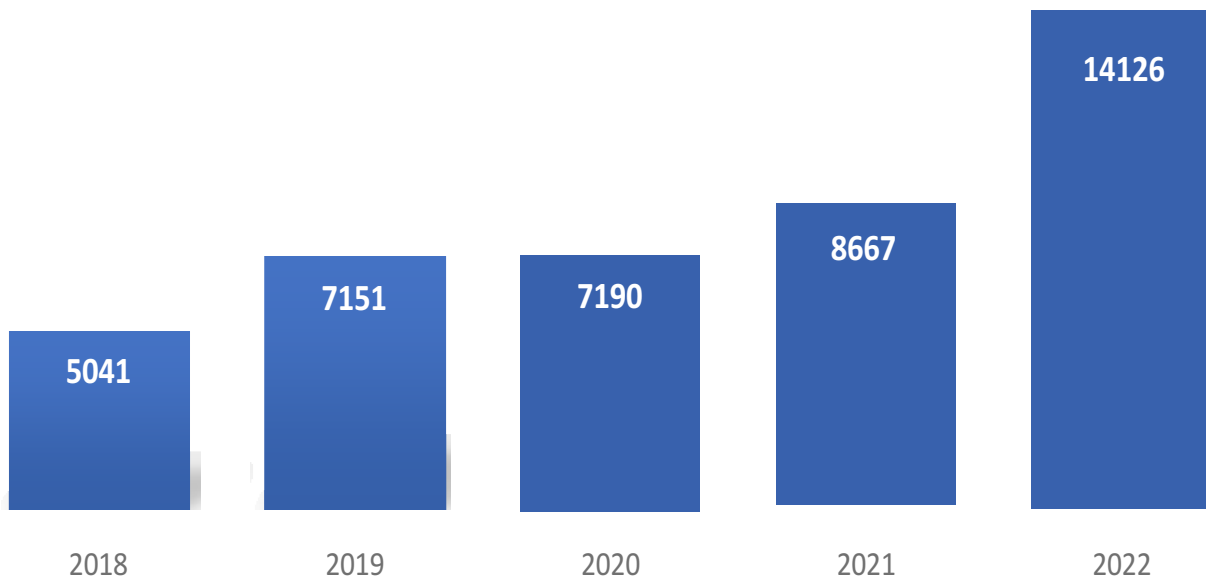
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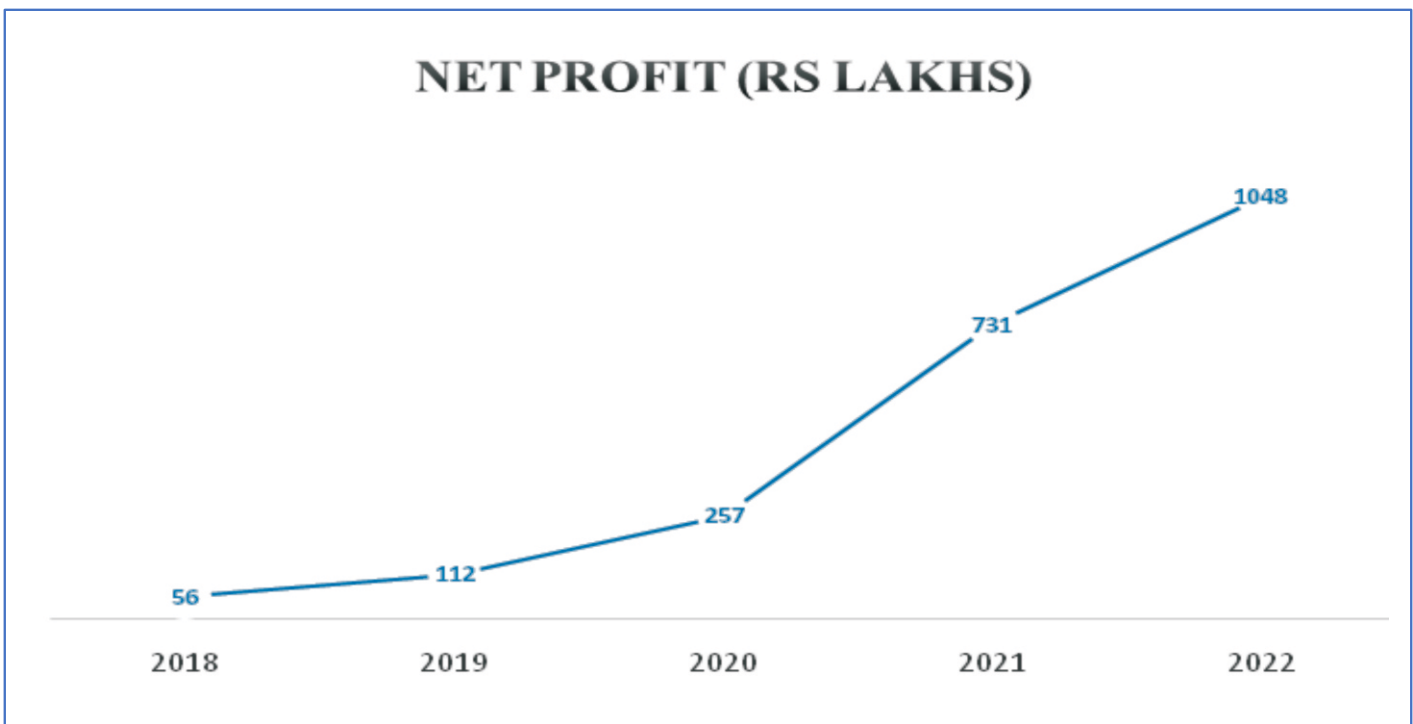
**EXTRA ORDINARY TURNOVER GROWTH IN LAST 5 YEARS**

**TURNOVER (RS Lakhs)**





## EXTRAORDINARY NET PROFIT GROWTH IN LAST 5 YEARS





**NOTICE OF 30TH ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the thirtieth Annual General Meeting of the Members of ARCL Organics Limited will be held on Friday, 16<sup>th</sup> September 2022 at 3: 30 PM, through video conferencing/other audio-visual means facility to transact the following businesses: -

**ORDINARY BUSINESS(ES)**

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2022 and the Reports of the Board of Directors and Auditors thereon; and
  - b. the Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2022 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Ajay Kumar Mimani, DIN: 01944889, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS(ES)**

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

**3. To approve the related party transactions**

**“RESOLVED THAT** pursuant to the provisions of sections 188(1) and other applicable provisions of the Companies Act 2013, if any, read with companies (Meeting of Board and its powers) Rules, 2014, any statutory modifications, amendments or re-enactments thereof Related Party Transactions in the following nature, during and for the period 2020-21 be and are hereby approved.

<b>Related Party</b>	<b>Transactions</b>
All the existing Directors and KMP's along with the directors appointed in AGM, wholly owned subsidiaries and other associate companies.	Sale, purchase or supply of any goods or materials Selling, purchasing disposing, or buying of property of any kind Leasing of property of any kind Availing or rendering of any services Appointment of any agent for purchase or sale of goods, materials, services, or property Underwriting the subscription of any securities or derivatives thereof, of the company.

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

**Place: Rampur, PS Maheshtala-700141**

**Subhankar Paul**

**Date: 09.08.2022**

**Company Secretary**

**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 ongoing COVID-19 pandemic, social distancing is to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, followed by Circular No. 20/2020 dated May 05, 2020, and Circular No. 02/2021 dated January 13, 2021, and circular No. 2/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and all other relevant circulars issued from time to time. The 30th 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 30th 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 30<sup>th</sup> AGM and financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) for FY 2021-22, 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 (“LIPL”) 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. **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.
9. 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.
10. The Register of Members and the Share Transfer Books of the Company will remain closed from September 10, 2022, to September 16, 2022(both days inclusive).
11. 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.

12. 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.
13. 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.
14. 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.

**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, September 13, 2022, and ends at 5:00 p.m. (IST) on Thursday, September 15, 2022. 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.**

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

**ITEM NO. 3-**

Pursuant to provisions of Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the members by resolution for certain Related Party Transactions which exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business and on an arm's length basis.

However, as per the policy adopted by the company on related party transactions and as a measure of transparency, the company every year is obtaining approval of shareholders for the related party transactions to ensure that all the related party transactions entered by the company at any given point of time are according to the prior approval of the shareholders.

Sl No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board
I)	Classic Furniture and Furnishings Private Limited	Purchase of goods & services	Till the end of Financial Year	Aggregate amount not exceeding Rs. 100 lakhs	09.08.2022

In view the above, it is proposed to seek approval of the members of the Company through Special Resolution for the above transactions and the related parties are abstained from voting on the resolution.

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

Place: Rampur, PS Maheshtala-700141  
Date: 09.08.2022

**Subhankar Paul  
Company Secretary**





**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 Number registered with the Company**

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the 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 email id created for the general meeting.

2. Shareholders will get confirmation on first cum first 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 shareholder may ask questions to the panellist, via active chat-board during the meeting.

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 to 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 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 Devices 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 connection 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](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175. InstaMeet Support Desk Link Intime India Private Limited

**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 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/ Secure Web/ Ideas DirectReg.jsp](https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp)

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.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. Existing users who have opted for Easi/ Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.

4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [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, user will be provided links for the respective ESP i.e.LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period.

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. Upon logging in, you will be able to see e-Voting option. 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 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.

**Login method for Individual shareholders holding securities in physical form is given below:**

Individual Shareholders of the company, holding shares in physical form 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:** Share holders holding shares in **physical form shall provide Event No + Folio Number** registered with the Company.
  - 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/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘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

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

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 above mentioned 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”.

**InstaVote Support Desk**

**Link Intime India Private Limited**

**DIRECTORS' REPORT**

To  
The Members,

Your Directors take pleasure in presenting the 30<sup>th</sup> Annual Report on the operations of your Company together with the audited accounts for the financial year ended 31st March 2022.

Figure in Lakhs

Particulars	Standalone		Consolidated
	2021-22	2020-21	2021-22
Total Income	14364.70	8808.53	14364.95
Profit before Deprecation, Finance Cost, Tax and Exceptional items	1774.31	1370.81	1763.30
Depreciation and amortization expenses	143.30	148.55	143.30
Finance cost	151.19	191.97	135.36
Exceptional Items	NIL	NIL	NIL
Profit before Tax	1479.82	1030.30	1484.67
Less: Tax expenses	431.62	299.26	431.62
Profit for the year	1048.20	731.03	1053.05
Other comprehensive income for the year	-15.56	-20.79	-15.56
Total comprehensive income for the year	1032.64	710.24	1037.49

**Dividend**

Your Directors do not recommend payment of dividend on equity shares.

**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.

**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.

**Share Capital**

The paid-up capital of the company as on 31st March 2022 was INR 8 Crore. During the year under review the Company has not altered its share capital, consequently there is no change in the capital structure since previous year.

**Statement concerning development and implementation of Risk Management Policy of the Company**

The Indian Economy saw a whirlwind of events such as the third wave of the Covid-19 pandemic and a spike in inflation due to the Russia-Ukraine conflict. This also led to a weakened rupee, disruption in global supply chains and unprecedented fluctuation in raw material and commodity pricing. Despite such odds, our company emerged victorious, fulfilling Rs. 56 Crores worth of export. Although the impact of COVID 19 has been felt across the globe, your directors have taken major decisions to mitigate the risks which is clearly visible in the financials of the Company.

**Details of Policy developed and implemented by the company on its Corporate Social Responsibility initiatives**

As per the rule of Companies act 2013, CSR is applicable on our company, and the Company has made an annual CSR contribution of Rs. 13 Lakhs to Sona Education for promotion of Education in the country.

**Particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013**

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.

**Public Deposits**

As on today, we have not any public deposit in terms of chapter V of the Companies act 2013.

**Subsidiaries, Joint Venture and Associate company**

As on 31st March 2022, your Company has the following 7 wholly owned

subsidiary companies:

1. Yocnex Chemicals Private Limited
2. Sukses Chemicals Private Limited
3. Nocnex Chemicals Private Limited
4. Ocilim Advisory Services Private Limited
5. Wide Range Merchants Private Limited
6. Allied Maritime & Infra Engineering Private Limited
7. 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 is a part of the consolidated financial statements.

Your Company does not have any associates, holding or joint ventures as on 31st March 2022.

**Human Resources**

The Company Human Resource development is founded on a strong set of values. The policy seeks to instil spirit, trust and transparency among all employees.

We believe in the potential of the young generation who are full of energy, modern thoughts, new technological know-how and approaches. Since in the next 5 years, a generation of people will retire, we have started the process of inducting young technocrats and an enterprising new commercial team for a smooth transfer to the next generation. We have introduced an immersive training programme for the new generation to prepare them to take up the role of the older generation.

**Opportunities and Threats**

The Company has tapped the exports markets in resins business. The Company complete and continuous focus will be to tap the current market opportunities to its fullest.

**Internal Financial Control**

The Company has laid down guidelines, which enable implementation of appropriate internal financial controls. These include controls in the nature of 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 evaluations of these internal financial controls were done by the Statutory Auditors.



**Particulars of Contracts or arrangements made with Related Parties**

Your company has not entered into any related party transaction in this financial year except the earlier ongoing transaction which was reported in 29<sup>th</sup> AGM.

**Annual Return**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 is annexed as **Annexure 1**.

**Taxes and Duties**

Your Company has contributed **Rs. 12,78,36,944/-** to the Central and State Exchequer by way of Taxes and duties.

**Future Prospects**

ARCL is a seasoned player in the formaldehyde and downstream chemicals market due to our long-term commitment and family-like relations with our stakeholders as well as our strong technical know-how in our processes and products. Keeping the same mother product base, we have diversified our product portfolio to cater to various industries such as feed, foundries, refractories, rubber and tyre, agriculture, etc.

To service our newly developed usages, we are building new capacities for drying, upgrading our paraformaldehyde plant and increasing capacities for feed additives. For our newly built Phenolic Novolac facilities, we are in the process of entering into a German collaboration. This will help us in doubling our exports as well as our domestic market sales.

The next 10 years are India's decade for the growth of chemical industries. The Russia-Ukraine conflict saw the demand for Speciality chemicals shifting to India, and Indian companies like ours are well positioned to take advantage of the situation.

**Listing of Equity shares**

Your company has already received in principal listing approval from Bombay Stock Exchange and has applied to SEBI to expedite the process of listing at the other stock exchanges.

**Auditor and Auditor's Report**

M/s JSUS & Associates (Firm Registration number-329784E), Chartered accountants, were appointed as statutory auditors for a period of 5 years from the conclusion of 27<sup>th</sup> Annual general meeting to 31<sup>st</sup> Annual general meeting of the company.

The observations of Auditors in their report "read with notes to the accounts" are self-explanatory and do not call for any further explanation.

**Director and Key Managerial Personnel**

In accordance with provisions of section 152 of the act read with rules made thereunder, Mr. Ajay Kumar Mimani is liable to retire by rotation at the 30<sup>th</sup> AGM and being eligible, offers himself for re-appointment.

Your company intrinsically believe in philosophy of corporate governance and are committed to comply with the rules of composition of Board.

The Company has received declarations from all independent directors that they meet the criteria of independence and none of the director is disqualified for being appointed as director.

**As on 31<sup>st</sup> March 2022, your Company has following Key Managerial Personnel as per the rule of Companies act 2013-**

Mr. Suraj RatanMundhra, Managing Director  
Mr. Rajesh Mundhra, Whole Time Director

Mr. Mukesh Mundhra, Whole Time Director  
Mr. Ajay Kumar Mimani, Executive Director  
Mr. Navneet Bagri, Chief Financial Officer  
Mr. Subhankar Paul, Company Secretary

**Corporate Governance**

Your Company upholds the standard of governance and a report on corporate governance is a part of Directors report.

A report on Corporate Governance is annexed as "**Annexure 2**."

**Obligation of Company under sexual harassment of women at workplace (Prevention, Prohibition and Redressal) act, 2013**

Your Company ensures that every woman employee is treated with dignity and equality. The company has a committee which looks after this and safety of woman employees.

**Information as required under section 134(3)(m) of the companies act 2013 read with Rule 8(3) of Companies (Accounts) rules, 2014):**

**Conservation of Energy**

**a. Energy Conservation Measures Taken:**

- 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\*

<b>I. Electricity</b>	<b>Rs.</b>
Purchased Units (KWH in lacs)	<b>58.37</b>
Total Amount (in Lacs)	<b>464.27</b>
Monthly average (Rs. In Lacs)	<b>38.69</b>
Rate (Rs/KWH)	<b>7.95</b>
<b>II. Fuel Consumption</b>	
LDOConsumption (in KL)	<b>715.27</b>
Total Amount (Rs. In Lacs)	<b>407.95</b>
Monthly average (Rs.Lacs)	<b>34</b>
Rate (Rs/Lacs)	<b>57.04</b>

FO Consumption from April 2021 to March 2022 = 1122.41KL

Total amount = 514.59 Lacs

Monthly Average (Rs in Lacs)=42.88 L

Rate (Rs/Litre) = 45.85

**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-

- a) Low emission formaldehyde E0/E1 in plywood application.
- b) Slow Release Nitrogen crude protein in cattle field application, M PRO.
- c) Import Substitution cross linker HMMM.



**Expenditure on R & D:**

No. Particulars	(Rs.)
I. Capital Expenses	35,33,659
II. Revenue Expenses	84,16,127
III. Total	1,19,50,436

**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. 11,62,651/-
- b) Earnings in Foreign Currency- Rs. 43,63,02,791/-

**Director's Responsibility Statement**

Your directors, in terms of Section 134 (5) of the Companies Act, 2013, state that:

- c) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- d) The directors had selected such accounting policies and applied them consistently and made judgments 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 of the profit/loss of the company for that period.
- e) The directors to the best of their knowledge & ability have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- f) The directors had prepared the annual accounts on a going concern basis; and
- g) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- h) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Industrial relations**

The Industrial relations in the Company continue to be very cordial and stable. Your directors would like to place on record their appreciation of the dedication and commitment of all employees of your company in spite of the pandemic situation.

**Appreciation and Acknowledgements**

The Directors thank the Company's customers, vendors, dealers, investors and associates for their continues support during the year. They also appreciate the contribution made by the employees at all levels.

**For and on behalf of the Board**

**Suraj Ratan Mundhra**

**Chairman and Managing Director**

**DIN: 00681223**

**Place: Kolkata**

**Date: 09.08.2022**



## Form No. MGT-9

Annexure – 1

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2022

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION &amp; OTHER DETAILS:

<b>CIN</b>	U24121WB1992PLC056562
<b>Registration Date</b>	09/08/1992
<b>Name of the Company</b>	ARCL Organics Limited
<b>Category/Sub-category of the Company</b>	Public Limited Company, Non-Government company
<b>Address of the Registered office &amp; contact details</b>	Rampur, PS Maheshtala, Kolkata-700141, Contact-033-22832865
<b>Whether listed company</b>	Unlisted
<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any</b>	Linkintime India Pvt. Ltd., C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra-400083, Kolkata address- 59 C, Chowringhee Road, 3rd Floor, Kolkata – 700020, Tel: 033 - 2289 0540, Telefax: 033 - 2289 0539

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	FORMALDEHYDE AND RESINS	2011	100

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-7 Wholly Owned Subsidiaries

Sl. No.	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	(%) of shares held
1.	<b>ARCL Petrochemicals Limited</b> C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141	U24110WB2008PLC125850	Subsidiary Company	99.99%
2.	<b>Allied Maritime &amp; Infra Engineering Private Limited</b> C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141	U74210WB2001PTC093865	Subsidiary Company	99.99%
3.	<b>Wide Range Merchants Private Limited</b> C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141	U51909WB1995PTC074492	Subsidiary Company	99.99%
4.	<b>Ocilim Advisory Services Private Limited</b> C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141	U01122WB2007PTC116504	Subsidiary Company	99.99%
5.	<b>Nocnex Chemicals Private Limited</b> C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141	U51909WB2019PTC229634	Subsidiary Company	99.99%
6.	<b>Suksess Chemicals Private Limited</b> C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141	U51909WB2019PTC229742	Subsidiary Company	99.99%
7.	<b>Yocnex Chemicals Private Limited</b> C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141	U51909WB2019PTC229931	Subsidiary Company	99.99%



**IV. SHARE HOLDING PATTERN**

Category of Shareholders	Shareholding at the beginning of the year - 2021				Shareholding at the end of the year - 2022				% Change during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
Shareholding of Promoter and Promoter Group									
Indian									
Individuals / Hindu Undivided Family	3263990	912834**	4176824	52.21	3263990	912834**	4176824	52.21	'0.0000
Central Government / State Government(s)	0	0	0	0	0	0	0	0	'0.0000
Financial Institutions / Banks	0	0	0	0	0	0	0	0	'0.0000
Bodies Corporate	1273380	87166**	1360546	17.01	1273380	87166**	1360546	17.01	'0.0000
Sub Total (A)(1)	4537370	1000000	5537370	69.21	4537370	1000000	5537370	69.21	'0.0000
Foreign									
Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Any Other (Specify)									
Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Total Shareholding of Promoter and Promoter Group(A)=(A)(1) + (A)(2)	4537370	1000000	5537370	69.21	4537370	1000000	5537370	69.21	'0.0000
Public Shareholding									
Institutions									
Mutual Funds / UTI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Financial Institutions / Banks	59950	0	59950	'0.7494	59950	0	59950	'0.7494	'0.0000
Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Any Other (Specify)									
Sub Total (B)(1)	59950	0	59950	'0.7494	59950	0	59950	'0.7494	'0.0000
Central Government/ State Government(s)/ President of India									
Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Non-Institutions									
Individuals									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	6150	721920	728070	'9.1009	6150	721920	728070	'9.1009	'0.0000
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	55450	144750	200200	'2.5025	55450	144750	200200	'2.5025	'0.0000
NBFCs registered with RBI	8400	0	8400	'0.1050	8400	0	8400	'0.1050	'0.1050
Employee Trusts	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Overseas Depositories (holding Drs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Any Other (Specify)									
SBICAP TRUSTEE	1000000	0	1000000	12.50	1000000	0	1000000	12.50	'0.0000
Bodies Corporate	0	466010	466010	'5.8251	0	466010	466010	'5.8251	'0.0000
Total Public Shareholding(B)1+2+3	129950	1332680	1462630	18.28	129950	1332680	1462630	18.28	0
Total (A)+(B)	5667320	2332680	8000000	100	5667320	2332680	8000000	100	0
Non-Promoter - Non-Public	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
Employee Benefit Trust	0	00	0	'0.0000	0	0	0	'0.0000	'0.0000
Total (A)+(B)+©	5667320	2332680	8000000	'100.00	5667320	2332680	8000000	'100.00	'0.0000

\*Pending transfer


**(ii) Shareholding of Promoter**

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2021			Shareholding at the end of the year - 2022			% change in shareholding
		Shares	%	% of Shares Pledged Shares	Shares	%	% of Shares Pledged Shares	
1	ARC Holdings Limited	1223380	'15.2922	'0.0000	1223380	'15.2922	'0.0000	'0.0000
2	Sushila Devi Mundhra	1031175	'12.889	'0.0000	1031175	'12.889	'0.0000	'0.0000
3	Suraj Ratan Mundhra	791627	9.8953	0.0000	791627	9.8953	0.0000	'0.0000
4	Mukesh Mundhra	700759	8.7594	0.0000	700759	8.7594	0.0000	'0.0000
5	Suraj Ratan Mundhra HUF	670005	8.3750	'0.0000	670005	8.3750	'0.0000	'0.0000
6	Ajay Kumar Mimani	37040	0.463	'0.0000	37040	0.463	'0.0000	'0.0000
7	Vijay Kumar Mimani	0	0	'0.0000	0	0	'0.0000	'0.0000
8	Rajesh Mundhra	345840	'4.3230	'0.0000	345840	'4.3230	'0.0000	'0.0000
9	Vasundhara Mundhra	308047	3.8505	'0.0000	308047	3.8505	'0.0000	'0.0000
10	Kapila Mundhra	292331	'3.6541	'0.0000	292331	'3.6541	'0.0000	'0.0000
11	Super Polychem Pvt. Ltd.	0	0	0	0	0	0	'0.0000
12	PBC Carriers Private Ltd.	137166	1.7146	'0.0000	137166	1.7146	'0.0000'	0.0000
	Total	5537370	'69.21	'0.0000	5537370	'69.21	'0.0000	'0.0000

**(iii) Changes in Shareholding of Promoters: NO change except the change by virtue of SEBI's order as given below-**

Pursuant to order of SEBI dated 4th August 2017, Company has opened an escrow account in which 10 lakh shares has been transferred which is hold by an independent trust namely SBICAP Trustee company Limited with whom ARCL has entered into an agreement for complying with the order of SEBI

NAME OF SHAREHOLDER	SHARES	DATE OF TRANSFER
AJAY KUMAR MIMANI	417680	31.10.2019
VIJAY KUMAR MIMANI	386120	31.10.2019
SUPER POLYCHEM P LTD	196200	31.10.2019

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.	Particulars	Shareholding at the beginning of the year - 2021		Cumulative Shareholding at the end of the year - 2022	
		SHARES	%	SHARES	%
1	STRESSED ASSETS STABILIZATION FUND	249600	3.1200	249600	3.1200
2	PREM R MARDIA	60750	0.7594	60750	0.7594
3	UNIT TRUST OF INDIA	59950	0.7494	59950	0.7494
4	INDIAN BANK A/C INDIAN BANK MUTUAL FUND	46750	0.5844	46750	0.5844
5	3A CAPITAL SERVICES LTD.	37750	0.4719	37750	0.4719
6	A3 CAPITAL SERVICES (INDIA) LTD.	37500	0.4688	37500	0.4688
7	MORGAN STANLEY ASSET MANAGEMENT INC	32050	0.4006	32050	0.4006
8	ADVANCED BUSINESS ENTERPRISES INC	31250	0.3906	31250	0.3906
9	UNITED INDIA INSURANCE CO.LIMITED	30400	0.3800	30400	0.3800
10	DAULAT LAXMLAL CHANDRILIYA	25000	0.3125	25000	0.3125

**(v) Shareholding of Directors and Key Managerial Personnel:**

SI. No.	Particulars	Shareholding at the beginning of the year - 2021		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	<b>Shareholding of each Directors and each Key Managerial Personnel</b>				
1	Mukesh Mundhra	700759	8.759%	700759	8.759%
2	Suraj Ratan Mundhra	791627	9.895%	791627	9.895%
3	Rajesh Mundhra	345840	4.323%	345840	4.323%
4	Ajay Kumar Mimani	37040	0.463	37040	0.463
5	Navneet Bagri	0	0	0	0
6	Sonali Chaubey **	0	0	0	0
7	Subhankar Paul ***	0	0	0	0

\*\* Resigned from the post of Company Secretary w.e.f. 07/12/2021.

\*\*\* Appointed to the post of Company Secretary w.e.f. 24/02/2022.





**V. INDEBTEDNESS**

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

Particulars	Secured excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,61,69,106	2,68,97,225	NIL	9,30,66,332
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	6,61,69,106	2,68,97,225	NIL	9,30,66,332
Change in Indebtedness during the financial year				
Additions	2,28,44,289	6,18,02,662	NIL	8,46,46,951
Reduction	2,02,80,861	1,61,157	NIL	2,04,42,018
Net Change	25,63,427	6,16,41,505	NIL	6,42,04,933
Indebtedness at the end of the financial year	6,87,32,534	8,85,38,731	NIL	15,72,71,265
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	6,87,32,534	8,85,38,731	NIL	15,72,71,265

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total (In Rs.)
		Suraj Ratan Mundhra	Mukesh Mundhra	Rajesh Mundhra	Ajay Kumar Mimani	
1	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	24,00,000	24,00,000	24,00,000	3,89,000	75,89,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock option					
3	Sweat Equity					
4	Commission as % of profit					
5	Others, please specify					
	<b>Total (A)</b>	<b>24,00,000</b>	<b>24,00,000</b>	<b>24,00,000</b>	<b>3,89,000</b>	<b>75,89,000</b>
	Ceiling as per the Act (5% of Net Profit)					

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of ID (Independent Director)			Total Amount
		Trinetra Bajpai	M.K. Ghosh	Nilmani Rathi	
	<b>Independent Directors</b>				
•	Fee for attending board committee meetings.	25,000	1,00,000	1,00,000	2,25,000
•	Commission				
•	Others, please specify.				
	<b>Total Managerial Remuneration</b>	<b>25,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>2,25,000</b>

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	<b>Gross salary</b>	NIL	5,55,000	24,00,000	29,55,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Others, please specify				
3.	<b>Total</b>	<b>NIL</b>	<b>5,55,000</b>	<b>24,00,000</b>	<b>29,55,000</b>



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NA

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
<b>COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Place: Kolkata  
Date:09.08.2022

**Suraj Ratan Mundhra**  
Chairman & Managing Director  
DIN: 00681223



**Annexure – 2  
CORPORATE GOVERNANCE REPORT**

The directors present the the Corporate Governance Report for the year ended 31<sup>st</sup> March, 2022.

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate governance is all about highest standards of integrity, transparency, adoption of best management principles and values. As you company is progressing towards listing in Bombay Stock exchange, it is adopting a strong legacy of fair, transparent and ethical governance practices. Your company is also adopting code of conduct for its independent directors and diving towards sustained corporate growth.

**BOARD OF DIRECTORS AND MEETINGS**

The Composition of Board as on March 31, 2022 was as under:

Sl. No.	Name of Director	Category of Directorship
1.	TrinetraGokarannath Bajpai	Independent Non-Executive Director
2.	Suraj Ratan Mundhra	Chairman & Managing Director
3.	Mihir Kumar Ghosh	Independent Non-Executive Director
4.	Nilmani Rathi	Independent Non-Executive Director
5.	Rajesh Mundhra	Whole Time Director
6.	Mukesh Mundhra	Whole Time Director
7.	Ajay Kumar Mimani	Executive Director

**CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL DURING THE YEAR:**

1	Mrs. Sonali Chaubey	Company Secretary-Resigned on 07.12.2021
2	Mr. Subhankar Paul	Company Secretary-Appointed on 24.02.2022

**DETAILS OF BOARD MEETING HELD DURING THE YEAR**

The Board met 4 (Four times) in the calendar year (from January to December) on the following dates during the year 2021-22 and the gap between two Board Meeting did not exceed 120 days:

**Name of Meeting Dates on which meetings were held**

Board Meeting	08.06.2021, 16.08.2021, 29.10.2021, 24.02.2022
Shareholder Grievance Committee Meeting	08.06.2021
Corporate Social Responsibility Committee	08.06.2021, 29.10.2021

**INFORMATION ON COMMITTEES OF BOARD**

The formation of the committee does not apply to the company but as the company has applied for listing, so mandatory committees have to be formed and the company is under the process of appointment of woman independent director to complete the board composition and as well as committee constitution.

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

For redressing investor complaints, the Company had earlier formed Shareholders/Investor Grievance committee with the existing directors, but the company is under process of re-constituting the shareholder's grievance committee since new independent directors are being inducted in the board.

Sl. No.	Name of Director	Category of Directorship
1	Mr. Mukesh Mundhra	Executive director
2	Mr. Ajay Kumar Mimani	Executive Director
3	Mr. Trinetra Gokarannath Bajpai	Non-Executive Director
4	Mr. Mihir Kumar Ghosh	Non-Executive Director

The Shareholders/Investor Grievance Committee oversees redressal of Shareholder and Investor complaints on matters such as transfer of shares, non-receipt of shares, ensures expeditious transfer of shares, issue of duplicate share certificates and approves sub-division/transmission of Shares.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE-**

For overseeing the implementation of projects in respect to Corporate

Social Responsibility:

Sl. No.	Name of Director	Category of Directorship
1	Mr. Nilmani Rathi	Non-Executive Director
2	Mr. Ajay Kumar Mimani	Executive Director
3	Mr. Mihir Kumar Ghosh	Non-Executive Director

**The details of complaints from shareholders are as follows:**

Year	Complaints outstanding as on 01.04.2021	Complaints Received	Complaints Resolved	Complaints Pending as on 31.03.2022
2021-22	NIL	1	NIL	1*

\*Complaint lodged by Mrs. Kaushalya Chandak regarding non-receipt of Share certificate after transfer through SCORES vide complaint ref. no. SEBIE/WB18/0000079/1 dated 29.01.2018. In view of the above, please note that Company has replied to the complainant that as soon as the company gets the listing approval and its ISIN again become active Company will transfer these 250 shares to her without any delay.

\*\* Some requests of small shareholders are pending because our master is blocked and we cannot do any transfer of shares, demat and correction or changes in our master maintained by our registrar, Link Intime India Private Limited. Our ISIN will get active on approval from BSE for listing then these requests will be disposed off.

**DISCLOSURES UNDER CORPORATE GOVERNANCE**

**Name of Related Parties and Relationship:**

**A. KEY MANAGERIAL PERSONNEL**

1. Mr. Suraj Ratan Mundhra, Managing Director
2. Mr. Rajesh Mundhra, Whole Time Director
3. Mr. Mukesh Mundhra, Whole Time Director
4. Mr. Ajay Kumar Mimani, Executive Director
5. Mr. Navneet Bagri, Chief Financial Officer
6. Mr. Subhankar Paul, Company Secretary

**B. RELATED PARTIES**

1. Mr. Mukesh Mundhra, Director and son of MD
2. Mr. Rajesh Mundhra, Director and son of MD
3. Mr. Ajay Kumar Mimani, Director and relative of MD

**C. OTHERS (COMPANIES IN WHICH SOME OF THE DIRECTORS ARE INTERESTED)**

1. ARC Holdings Limited
2. Classic Furniture & Manufacturing Company Private Limited
3. Classic Furniture and Furnishings LLP

**D. DETAILS OF WHOLLY OWNED SUBSIDIARIES**

1.	<b>ARCL Petrochemicals Limited</b> , C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141
2.	<b>Allied Maritime &amp; Infra Engineering Private Limited</b> , C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141
3.	<b>Wide Range Merchants Private Limited</b> , C2-54/127, Budge Budge Trunk Road, Maheshtala Kol-700141
4.	<b>Ocilim Advisory Services Private Limited</b> , C2-54/127, Budge Budge Trunk Road, Maheshtala Kol-700141
5.	<b>Nocnex Chemicals Private Limited</b> , C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141
6.	<b>Sukness Chemicals Private Limited</b> , C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141
7.	<b>Yocnex Chemicals Private Limited</b> , C2-54/127, Budge Budge Trunk Road, Maheshtala Kolkata-700141



**DISCLOSURE IN FORM AOC-2**

Pursuant to clause (h) of sub-section (3) of section 134 of the act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL**

Particulars	Details
Name (s) of the related party & nature of relationship	
Nature of contracts/arrangements/transaction	
Duration of the contracts/arrangements/transaction	
Salient terms of the contracts or arrangements or transaction	
Justification for entering into such contracts or arrangements or transactions'	
Date of approval by the Board	
Amount paid as advances, if any	
Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

SL No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements /transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value if any	Date of approval by the Board
III)	Classic Furniture and Furnishings Private Limited	Purchase of goods and services	Ongoing	Aggregate amount not exceeding Rs.100 lakhs in each financial year	09.08.2022

For and on behalf of the Board

**Suraj Ratan Mundhra**

Managing Director

DIN: 00681223

Place: Kolkata

Date:09.08.2022



**Form No. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March 2022  
[Pursuant to section 204(1) of the Companies Act, 2013 and  
ruleNo.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**

We 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 31st March 2022 in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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 us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2022 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made 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 or rowings; (to extent applicable)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(not applicable to the company during the audit period)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;(not applicable to the company during audit period)
  - (c) 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)
  - (d) 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)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the

Company during the audit period)

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,2018(Not applicable to the Company during the audit period) and
- vi) Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management  
We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except that the forms AOC-4 XBRL and MGT-7 for the year ended 31.03.2021 were filed with some penalties due to some unavoidable circumstances.

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 the Board of Directors of the Company is duly constituted during the period under review.

However, Ms. Sonali Chaubey resigned from the post of Company Secretary with effect from 07.12.2021 and Mr. Subhankar Paul was appointed for the post of Company secretary with effect from 24.02.2022.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

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

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 where as, registrar & transfer agent (RTA) has shown the same in the name of Mr. Azam EssofKolia 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) In pursuant to the SEBI order dated 4th August, 2017,the company was required to transfer 10 lakhs shares of Promoters to an independent trust as aprerequisite condition before making an application for listing of its shares on stock exchange.  
Consequent to such order the company has transferred 10 lakhs shares to SBICAP trustee company Limited on 31stOctober 2019 and made application to BSE LTD for listing of its shares on 29th November 2019.After satisfying all the queries finally BSE allowed in principle approval for listing of shares vide email dated 29th November, 2021.
- 2) In the meantime, a letter from SEBI dated 30th August, 2021 was received whereby it was advised to get the relisting done at NSE and CSE also. This delayed the whole process of listing at BSE only



and is still under process as on date of signing this report. Consequent to order made by SEBI dated 30th August, 2021 the Company has made a request to SEBI to:

- I. To condone ARCL Organics Ltd from getting its shares listed at the NSE,
  - II. To grant exemption from listing its shares at the CSE,
  - III. To direct BSE to allow the relisting and trading of shares without any further delay.
- The company is still waiting for the kind approval from SEBI for allowing them to re-list shares at BSE Limited and to carry on the trading activity.
- 3) The Company is involved in certain legal proceedings, incidental to its business and operations. The summary of the litigations are as follows:

Nature of Litigation	no. of Legal proceedings	Amount (Rs. In Lacs)
Cases pending in the matter of Direct Tax	5	1080.23
Indirect Taxes	16	804.38
Civil Case under the Employees Insurance Court	-	-
Other Civil cases under the Gratuity Act and before the Conciliation Authorities	-	-

**FOR KSN & COMPANY  
COMPANY SECRETARIES**

**NAND KISHORE SHARMA**  
**MEM No: A32530 | COP No: 20657**  
**UDIN:A032530D000685281**  
**DATE: 26.07.2022**  
**PLACE: KOLKATA**

Note: This report is to be read with letter of even date which is Annexure "A" and forms an integral part of this report.

**'ANNEXURE A'**

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**

**NAND KISHORE SHARMA**  
**MEM No: A32530 | COP No: 20657**  
**UDIN:A032530D000685281**  
**DATE: 26.07.2022**  
**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 2022, 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 significant 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 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, 2022, its profit (including Other Comprehensive Loss), 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, 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.
  - Obtained 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. 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**

13. 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.
14. 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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.

**For JSUS & Associates  
Chartered Accountants  
Firm Registration No: 329784E**

**Place: Kolkata  
Date: 25.05.2022**

**(Adrish Roy)  
Partner**

**Membership No: 055826  
UDIN:22055826ANFCVT1567**





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

**[Referred to in paragraph 13 of the Auditors' Report of even date]**

1. (a)(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and Equipment.  
(a) (B) The Company has maintained proper records showing full particulars of intangible assets.  
(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, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. 2(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, the Company does not have a policy of closing its books on a quarterly basis and preparing quarterly financials. Thus, we are unable to comment if whether the records submitted to the bank match with the books of accounts.
3. 3.(a) (A)  
According to the information and explanation 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, joint ventures and its associates and the summarized detail of the same has been depicted in the following table.

(Rs in lakhs)

Particulars	Loans
Aggregate amount granted/ provided during the year	8.86
Balance outstanding as at balance sheet date in respect of above cases.	55.18

- (b) The Company is charging interest against loans refer under clause (a) (B) above 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, details of loans repayable on demands are as per details given below:

(Rs. In lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	55.18		
- Agreement does not specify any terms or period of repayment (B)			
Total (A+B)	55.18	Nil	Nil
Percentage of Loans	100%		

4. 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.
5. 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.
6. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 in respect of the Company's product to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
7. (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 31st March 2022 which has not been deposited on account of a dispute are as follows-

Name of the statute	Nature	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income Tax	640.78	01.04.1988 to 25.08.1998	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	396.34	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



8. 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).
9. (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) In our opinion, and according to the information and explanation given to us, on overall basis, the money raised by the company during the year by way of term loan have been applied for the purpose they 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 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, associates or joint ventures.
- (f) According to information and explanation given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies
10. (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.
11. (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 upto 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 upto the date of this report) and hence reporting under this clause is not applicable.
12. The Company is not a Nidhi Company and hence reporting under this clause is not applicable.
13. 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. of the financial statements for the year under audit.
14. According to the information and explanations given to us, the Company is not required to appoint internal auditor as per requirement of section 138 of the Companies Act, 2013 hence reporting under this clause is not applicable.
15. 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.
16. (a) & (b) 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) and (b) is not applicable.
- (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.
17. According to the information and explanations given to us and the records of the Company examined by us the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation 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.
20. (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.
21. 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 JSUS & Associates  
Chartered Accountants  
Firm Registration No: 329784E  
(Adrish Roy)**

**Place: Kolkata  
Date: 25.05.2022**

**Partner  
Membership No: 055826  
UDIN:22055826ANFCVT1567**



**ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT**

**To the Members of ARCL ORGANICS LIMITED**

**[Referred to in paragraph 14 (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 31st March, 2022 in conjunction with our audit of the 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 31st March 2022, 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 JSUS & Associates  
Chartered Accountants  
Firm Registration No: 329784E**

**(Adrish Roy)**

**Partner**

**Membership No: 055826**

**UDIN:22055826ANFCVT1567**

**Place: Kolkata**

**Date: 25.05.2022**



## Balance Sheet as at 31st March 2022

(₹ in Lakhs)

	Note No.	As at 31st March 2022	As at 31st March 2021
<b>Non-current assets</b>			
Property, Plant and Equipment	2	2567.45	1937.98
Right of Use	2	26.83	20.53
Financial Assets			
(i) Investments	3	124.09	123.47
(ii) Other financial Assets	4	34.62	32.58
(iii) Loans	10	.00	.00
Deferred Tax Assets (Net)	5	.00	.00
<b>Total Non - Current Assets</b>		<b>2752.99</b>	<b>2114.57</b>
<b>Current assets</b>			
Inventories	6	1220.19	626.74
Financial Assets			
(i) Trade receivables	7	3154.50	2287.90
(ii) Cash and cash equivalents	8	8.56	137.50
(iii) Other Bank Balances	9	728.20	627.56
(iv) Loans	10	55.29	52.19
(v) Other Financial Assets	4	7.33	2.82
Current Tax Assets	11	329.85	388.95
Other current assets	12	1381.11	505.94
<b>Total Current Assets</b>		<b>6885.03</b>	<b>4629.60</b>
<b>Total Assets</b>		<b>9638.02</b>	<b>6744.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	800.00	800.00
Other Equity	14	3382.40	2349.76
<b>Total equity</b>		<b>4182.40</b>	<b>3149.76</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	15	487.83	216.29
(ia) Lease Liabilities		19.76	13.44
(ii) Other financial liabilities	16	200.00	300.00
Provisions	17	229.16	211.05
Deferred Tax Liabilities (Net)	5	164.62	155.46
<b>Total non-current liabilities</b>		<b>1101.38</b>	<b>896.23</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	15	1084.88	714.38
(ia) Lease Liabilities		8.03	8.16
(ii) Trade payables	18	.00	3.42
Outstanding dues to Micro and Small enterprises		2489.61	1378.66
(iii) Other financial liabilities	16	135.02	124.77
Provisions	17	87.18	63.99
Other current liabilities	19	114.04	143.51
Current Tax Liability	11	435.50	261.29
<b>Total Current Liabilities</b>		<b>4354.25</b>	<b>2698.17</b>
<b>Total liabilities</b>		<b>5455.63</b>	<b>3594.40</b>
<b>Total Equity &amp; Liabilities</b>		<b>9638.02</b>	<b>6744.16</b>

Significant accounting policies

1

Additional notes to financial statements

27- 43

The above balance sheet should be read in conjunction with the accompanying notes

In terms of our report of even date

**For JSUS & Associates**

Chartered Accountants

(Firm registration no. 329784E)

**Suraj Ratan Mundhra**

Managing Director

DIN-00681223

**Mukesh Mundhra**

Director

DIN-00658602

For and on behalf of the Board

**Ajay Kr. Mimani**

Director

DIN-01944889

**Adrish Roy**

Partner

(Membership no. 055826)

Place: Kolkata

Date: 25/05/2022

**Navneet Bagri**

Chief Financial Officer

**Subhankar Paul**

Company Secretary

(Membership no. A63772)



## Statement of Profit and loss as on 31st March 2022

(₹ in Lakhs)

	Notes	As on 31.03.2022	As on 31.03.2021
I. Revenue from operations	20	14126.34	8667.13
II. Other income	21	238.36	141.40
<b>III. Total Income (I + II)</b>		<b>14364.70</b>	<b>8808.53</b>
IV. Expenses:			
Cost of materials consumed	22	10766.30	5754.47
Changes in inventories of work-in-progress, stock-in-trade and finished goods	23	-441.17	-65.99
Employee benefit expense	24	785.01	654.49
Finance costs	25	151.19	191.97
Depreciation and amortisation expense	2	143.30	148.55
Other expenses	26	1480.24	1094.75
<b>Total expenses</b>		<b>12884.88</b>	<b>7778.23</b>
<b>V. Profit before tax (III - IV)</b>		<b>1479.82</b>	<b>1030.30</b>
Income tax expenses			
- Current tax		258.31	155.11
- MAT Credit		164.14	-52.80
- Deferred tax		9.16	196.96
<b>Total tax expense</b>		<b>431.62</b>	<b>299.26</b>
<b>Profit after tax</b>		<b>1048.20</b>	<b>731.03</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements Gains/(Losses) on Defined Benefit Plan		-16.18	-21.13
(b) Gains/(Losses) on fair valuation of Equity Instruments		.62	.34
Other comprehensive income for the year, net of tax		-15.56	-20.79
<b>Total comprehensive income for the year</b>		<b>1032.64</b>	<b>710.24</b>
Earnings per equity share attributable to owners of ARCL Organics Limited:			
Basic earnings per share in Rs.		13.10	9.14
Diluted earnings per share in Rs.		13.10	9.14

Summary of Significant Accounting Policies

1

Additional notes to financial statements

27- 43

In terms of our report of even date

For and on behalf of the Board

**For JSUS & Associates**Chartered Accountants  
(Firm registration no. 329784E)**Adrish Roy**Partner  
(Membership no. 055826)  
Place: Kolkata  
Date: 25/05/2022**Suraj Ratan Mundhra**Managing Director  
DIN-00681223**Navneet Bagri**

Chief Financial Officer

**Mukesh Mundhra**Director  
DIN-00658602**Ajay Kr. Mimani**Director  
DIN-01944889**Subhankar Paul**Company Secretary  
(Membership no. A63772)



**Statement of Changes in Equity for the year ended 31 March 2022**

**A. Equity Share Capital**

	<b>Notes</b>	<b>(₹ in Lakhs)</b>
<b>As at 1 April 2020</b>	<b>13</b>	<b>800.00</b>
Changes in equity share capital		
<b>As at 31 March 2021</b>		<b>800.00</b>
Changes in equity share capital		
<b>As at 31 March 2022</b>		<b>800.00</b>

**B. Other Equity**

**(₹ in Lakhs)**

	Notes	Securities Premium Reserve benefit plans	Retained earnings	Other Comprehensive Income		Fair valuation of
				Re measurements of the defined	Equity Instrument	
Total other equity						
Balance at 31 March 2020	14	1122.50	545.40	-26.42	-1.96	1639.52
Profit for the year			731.03			731.03
Other comprehensive income				-21.13	.34	-20.79
Total comprehensive income for the year			731.03	-21.13	.34	710.24
Balance at 31 March 2021		1122.50	1276.43	-47.55	-1.62	2349.76
Profit for the year			1048.20			1048.20
Other comprehensive income				-16.18	.62	-15.56
Total comprehensive income for the year		.00	1048.20	-16.18	.62	1032.64
Balance at 31 March 2022		1122.50	2324.63	-63.72	-1.01	3382.40

For JSUS & Associates  
Chartered Accountants  
(Firm registration no. 329784E)

Partner Adrish Roy  
(Membership no. 055826)

Place: Kolkata  
Date: 25/05/2022



## Cash Flow Statement for the year ended 31st March, 2022

(₹ in Lakhs)

	As on 31.03.2022		As on 31.03.2021	
<b>A. Cash Flow from Operating Activities</b>				
Net profit before tax as per Statement of Profit and Loss		1479.82		1030.30
<b>Adjustments for :</b>				
Depreciation on Tangible Assets	143.30		148.55	
Interest Income	-73.88		-36.64	
Interest Expense	81.48		127.08	
Acturial Gain /loss transfeed to OCI	-15.56		-20.79	
		135.34		218.20
<b>Operating Profit Before Working Capital Changes</b>		<b>1615.16</b>		<b>1248.50</b>
Increase / (Decrease) in Trade Payables	1107.53		-12.30	
Increase / (Decrease) in Other Current Liabilities	-29.47		119.51	
Increase / (Decrease) in Short Term Provisions	23.19		14.80	
Increase / (Decrease) in Long Term Provisions	18.11		35.38	
Increase / (Decrease) in Other Current financial Liabilities	10.26		22.16	
Increase / (Decrease) in Other Non Current financial Liabilities	-100.00		-26.56	
(Increase) / Decrease in Other Bank balances	-100.64		-6.68	
(Increase) / Decrease in Trade receivables	-866.60		-606.54	
(Increase) / Decrease in Inventories	-593.45		-53.97	
(Increase) / Decrease in Loans and Advances	-3.10		-49.35	
(Increase) / Decrease in Other Current Assets	-864.32		-48.16	
(Increase) / Decrease in Other Current Financial Assets	-4.52		-.17	
(Increase) / Decrease in Other Non Current financial Assets	-2.04		.00	
(Increase) / Decrease in Long Term Loans & Advances	.00	-1405.05	.00	-611.88
<b>Cash generated from operations</b>		210.11		636.61
Taxes paid (Net of refunds)		200.00		100.00
<b>Net cash Generated/(used) from operating activities (A)</b>		10.11		536.61
<b>B. Cash Flow from Investing Activities</b>				
Purchase of fixed assets	-791.81		-110.77	
Disposal of Fixed Assets	12.74		3.84	
Investments in Subsidiaries	-.62		-.34	
Interest Received	73.88		36.64	
<b>Net cash from investing activities (B)</b>		-705.80		-70.63
<b>C. Cash flow From Financing Activities</b>				
Proceeds from short - term borrowings	370.37		60.58	
Proceeds/(Repayment) from long - term borrowings	277.87		-357.48	
Interest Paid	-81.48	566.76	-127.08	-423.97
<b>Net cash used for financing activities (C)</b>		566.76		-423.97
<b>Net Increase/(decrease in cash and cash equivalents (A+B+C))</b>		-128.93		42.01
Cash and Cash equivalent at the beginning of the year		137.50		95.49
Cash and Cash equivalent at the end of the year		8.56		137.50
<b>Changes in Cash and Cash Equivalents - Increase/(Decrease)</b>		128.93		-42.01

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

For and on behalf of the Board

**For JSUS & Associates**  
Chartered Accountants  
(Firm registration no. 329784E)

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

**Mukesh Mundhra** **Ajay Kr. Mimani**  
Director Director  
DIN-00658602 DIN-01944889

**Adrish Roy**  
Partner  
(Membership no. 055826)  
Place: Kolkata  
Date: 25/05/2022

**Navneet Bagri**  
Chief Financial Officer

**Subhankar Paul**  
Company Secretary  
(Membership no. A63772)



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

**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





**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 product, 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 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. Significant 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 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, 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.

**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.



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. Borrowing**

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 are 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 outflow 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 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 obsolescence 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 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 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. Recent Pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

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

### Statement of profit and loss:

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

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

(₹ in Lakhs)

	Freehold Land	Buildings	Office Building	Furniture and Fixtures	Car	Tanker	Electric Installation	Air Conditioner	Computer	Software	Office Equipments	Plant & Machinery progress	R&D Equipments	Total	Right of use
Gross carrying amount as on April.1.2020	485.36	195.62	2.70	32.65	85.04	153.80	4.19	3.46	16.72	1.12	6.01	1420.31	.59	2407.56	
Additions		1.25	.00	23.48	5.93	3.00	5.96	.28	2.85	.00	.70	38.17	.97	82.58	28.19
Disposals	.00	.00	.00	.00	20.88	.00	.00	.00	.00	.00	.00	.00	.00	20.88	
Closing gross carrying amount as on 31.03.2021	485.36	196.87	2.70	56.13	70.09	156.80	10.15	3.74	19.57	1.12	6.71	1458.48	1.56	2469.26	28.19
Additions		17.59	.18	10.94	82.82	.00	28.19	1.44	4.47	.00	1.20	586.40	35.34	768.57	23.24
Disposals	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	12.74
Closing gross carrying amount as on 31.03.2022	485.36	214.46	2.87	67.07	152.91	156.80	38.34	5.18	24.03	1.12	7.91	2044.88	36.89	3237.83	38.69
Accumulated depreciation as at 1 April 2020	.00	37.53	.13	9.95	20.41	48.05	1.54	1.30	7.73	.04	1.51	279.25	.00	407.44	
Depreciation charge during the year	.00	11.12	.04	3.66	11.74	17.59	.57	.47	2.43	.18	.91	92.10	.07	140.89	7.66
Disposals					17.04									17.04	
Closing accumulated depreciation as on 31.03.2021	.00	48.65	.18	13.61	15.11	65.64	2.11	1.78	10.16	.22	2.42	371.34	.07	531.28	7.66
Depreciation charge during the year	.00	9.18	.05	5.31	15.16	14.62	2.27	.65	3.52	.18	1.07	85.66	1.44	139.10	4.20
Disposals					.00									.00	
Closing accumulated depreciation as on 31.03.2022	.00	57.83	.22	18.92	30.27	80.25	4.38	2.43	13.68	.40	3.49	457.00	1.51	670.38	11.86
Net carrying amount as at 1 April 2020 (PY)	485.36	158.09	2.56	22.70	64.63	105.75	2.65	2.16	9.00	1.07	4.50	1141.06	.58	2000.13	.00
Net carrying amount as at 31 March 2021	485.36	148.22	2.52	42.52	54.99	91.17	8.04	1.96	9.41	.90	4.29	1087.14	1.48	1937.98	20.53
Net carrying amount as at 31 March 2022	485.36	156.63	2.65	48.15	122.64	76.55	33.97	2.75	10.35	.72	4.41	1587.88	35.38	2567.45	26.83

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022****Note 3 Investments**

Particulars	₹ in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Non - Current Investments		
<b>Investment in Equity Instruments</b>		
<b>(A) Investment in Subsidiaries - Unquoted (at Cost)</b>		
(i) <b>ARCL Petrochemicals Ltd</b> 144344 shares (31.03.2020- 144344) shares of Rs. 10 each	19.56	19.56
(ii) <b>Ocilim Advisory Services Pvt Ltd</b> 144344 shares (31.03.2020- 144344) shares of Rs. 10 each	15.14	15.14
(iii) <b>Wide Range Merchants Pvt Ltd</b> 144344 shares (31.03.2020- 144344) shares of Rs. 10 each	20.45	20.45
(iv) <b>Allied Maritime &amp; Infra Engineering Pvt Ltd</b> 144344 shares (31.03.2020- 144344) shares of Rs. 10 each	20.80	20.80
(v) <b>Nocnex Chemicals Pvt Ltd</b> 144344 shares (31.03.2020- 144344) shares of Rs. 10 each	15.43	15.43
(vi) <b>Yocnex Chemicals Pvt Ltd</b> 144344 shares (31.03.2020- 144344) shares of Rs. 10 each	15.43	15.43
(vii) <b>Suksess Chemicals Pvt Ltd</b> 144344 shares (31.03.2020- 144344) shares of Rs. 10 each	15.43	15.43
	122.26	122.26
(B) Investment in Others - Quoted* (FVTOCI) Bank of Baroda 1640 Equity shares (31/03/2020- 1640)	1.83	1.22
	1.83	1.22
<b>Total (A+B)</b>	<b>124.09</b>	<b>123.47</b>

**Note 4****Other financial Assets**

Particulars	₹ in Lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Security Deposit with CESC	34.62	32.58
<b>Total</b>	<b>34.62</b>	<b>32.58</b>
<b>Current</b>		
Security Deposits	7.33	2.82
<b>Total</b>	<b>7.33</b>	<b>2.82</b>

**Note 5****Deferred tax Liability (net)**

Particulars	₹ in Lakhs)	
	As at 31st March 2022	As at 31st March 2021
<b>Deferred Tax Assets:</b>		
<b>Timing difference on account of:</b>		
Defined benefit obligations And Unabsorbed depreciation	79.58	65.07
<b>Deferred Tax Assets (A)</b>	<b>79.58</b>	<b>65.07</b>
Timing difference on account of:		
Property, plant and equipment	-244.20	-220.52
Deferred Tax Liabilities (B)	-244.20	-220.52
<b>Deferred Tax Asset (Net)</b>	<b>-164.62</b>	<b>-155.46</b>



**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

**Note 6 : Inventories (valued at lower of cost and net realizable value) \***

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Raw Materials	178.87	93.37
Finished goods	784.34	343.17
Stores and spares	256.98	190.19
<b>Total</b>	<b>1220.19</b>	<b>626.74</b>

\* As taken, valued and certified by the management

**Note 7: Trade Receivables**

Particulars	As at 31st March 2022	As at 31st March 2021
Considered Good- Secured	.00	.00
Considered Good- Unsecured	3154.50	2287.90
Considered Good- Doubtful	.00	.00
<b>Total</b>	<b>3154.50</b>	<b>2287.90</b>

Particulars	Outstanding for following periods from due date of payment#					2022
	"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	2690.18	22.31	100.96	171.42	169.63	3154.50
(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#					2021
	"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	1772.23	25.69	160.89	302.42	26.67	2287.90
(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**

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
(a) Balances with banks		
(i) In Current Account	2.57	102.33
(b) Cash on hand	5.99	35.17
<b>Total Cash and Cash Equivalents</b>	<b>8.56</b>	<b>137.50</b>

**Note 9 Other Bank Balances**

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Earmarked Balances		
-Margin Money	229.49	151.04
Other Deposit Account	498.71	476.52
-Deposit accounts with maturity beyond three months upto twelve months		
<b>Total</b>	<b>728.20</b>	<b>627.56</b>

**Note 10 Loans**

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Loan to Others	.00	.00
<b>Total</b>	<b>.00</b>	<b>.00</b>
<b>Current</b>		
Loan to Others	55.29	46.47
Loan to Related Party	.00	5.72
<b>Total</b>	<b>55.29</b>	<b>52.19</b>

**Note-11 Current Tax Assets**

(₹ in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Non Current</b>		
Advance tax including TDS & MAT Credit	329.85	388.95
Prov. For Income Tax	-435.50	-261.29
<b>Total</b>	<b>-105.64</b>	<b>127.66</b>



**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

**Note 12 Other Current Assets**

**(₹ in Lakhs)**

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
<b>(i) Advances other than Capital Advances</b>				
Advance to Creditors		831.98		305.95
Other Receivables		34.87		79.33
Paid for NCLT purchase of RCHEM Pvt Ltd.		35.13		.00
		<b>901.97</b>		<b>385.28</b>
<b>(ii) Others</b>				
CENVAT/ Service Tax/ Sales Tax recoverable		98.53		97.11
GST Input (net of Output)		380.62		23.54
		479.14		120.66
<b>Total</b>		<b>1381.11</b>		<b>505.94</b>

**Note 13 : Share Capital**

	As at 31st March, 2022		As at 31st March, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
Authorised				
Equity shares of Rs.10 each	33750000	3375.00	33750000	3375.00
	<b>3375.00</b>		<b>3375.00</b>	
Issued, Subscribed & Paid up				
Equity shares of Rs.10 each	8000000	800.00	8000000	800.00
	<b>800.00</b>		<b>800.00</b>	

**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022****Details of the Shareholders holding more than 5% of Equity Shares of the Company****(₹ in Lakhs)**

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	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
SURAJ RATAN MUNDHRA HUF	670005	8.38	670005	8.38
ARC HOLDINGS LTD	1223380	15.29	1223380	15.29
MUKESH MUNDHRA	700759	8.76	700759	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 preceeding five years from the date of this balance sheet

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

**Promoters Share Holding**

Name of Promoter	No. of Shares held	% of Holding	% Change during the year
Sushila Devi Mundhra	1031175	12.89	Nil
Suraj Ratan Mundhra	791627	9.90	Nil
Mukesh Mundhra	700759	8.76	Nil
Rajesh Mundhra	345840	4.32	Nil
Suraj Ratan Mundhra HUF	670005	8.38	Nil
Kapila Mundhra	292331	3.65	Nil
Vasundhra Mundhra	308047	3.85	Nil
Ajay Kumar Mimani	37040	0.46	Nil
Arc Holdings Limited	1223380	15.29	Nil
Pbc Carriers Private Limited	137166	1.71	Nil

**Reconciliation of shares outstanding at the beginning of the year and at the end of the reporting period****EQUITY SHARES**

	As at 31st March, 2022		As at 31st March, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
At the beginning of the period	8000000	800.00	8000000	800.00
Issued during the period	0	.00	0	.00
Outstanding at the end of the period	8000000	800.00	8000000	800.00

**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 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****(₹ in Lakhs)**

Particulars	As at 31st March, 2022	As at 31st March, 2021
General Reserve	.00	.00
Securities Premium Reserve	1122.50	1122.50
Retained earnings	2324.63	1276.43
Other comprehensive income	-64.73	-49.17
<b>Total</b>	<b>3382.40</b>	<b>2349.76</b>



**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022****Note 15 Borrowings****(₹ in Lakhs)**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Non - Current</b>		
<b>Secured</b>		
Vehicle loan from Bank (Hypothecation of Vehicle) (1)	82.30	61.00
	82.30	61.00
<b>Unsecured</b>		
Loan from Body Coporate	234.88	15.95
Loan from Others	124.65	101.30
Loan from Other Bank		
(i) Yes Bank	27.23	16.35
(ii) ICICI Bank	18.77	21.69
(iii) Central Bank of India	.00	
(iv) Bank of Baroda	.00	
	405.53	155.28
<b>Total</b>	<b>487.83</b>	<b>216.29</b>
<b>Current</b>		
<b>Secured</b>		
Other loans from banks		
Fund Based - Cash Credit (2)		
(i) Bank of Baroda	465.57	468.74
(ii) Central Bank of India (CBI)	74.22	53.14
Curent Maturity of Long term Debt	65.23	78.80
<b>Unsecured</b>		
Loan from NBFC	226.96	52.57
Loan from Other Bank		
(i) Yes Bank	75.98	40.09
(ii) ICICI Bank	26.23	13.18
(iii) Central Bank of India	14.68	7.85
(iv) Bank of Baroda	136.00	.00
<b>Total</b>	<b>1084.88</b>	<b>714.38</b>

(1) EMI amounting to Rs 20621/-per installment per truck body for 4 truck payable in 53 installments of which 43 installments has been paid.

(1) EMI amounting to Rs 62504/-per installment per truck for 4 truck payable in 65 instlments of which 43 installments has been paid.

(1) EMI amounting to Rs 37833/-per installment of Car payable in 40 instlments of which 33 installments has been paid.

(1) EMI amounting to Rs 59473/-per installment of Car payable in 65 instlments of which 54 installments has been paid.

(1) EMI amounting to Rs 18731/-per installment of Car payable in 60 instlments of which 25 installments has been paid.

(1) EMI amounting to Rs 9619/-per installment of Car payable in 60 instlments of which 24 installments has been paid.

(1) EMI amounting to Rs 34300/-per installment of Truck Re-Finance payable in 36 instlments of which 33 installments has been paid.

(1) EMI amounting to Rs 29580/-per installment of Truck Re-Finance payable in 36 instlments of which 33 installments has been paid.

(1) EMI amounting to Rs 26820/-per installment of Truck Re-Finance payable in 36 instlments of which 33 installments has been paid.

(1) EMI amounting to Rs 27440/-per installment of Truck Re-Finance payable in 36 instlments of which 29 installments has been paid.

(1) EMI amounting to Rs 14769/-per installment of Car payable in 48 instlments of which 04 installments has been paid.

(1) EMI amounting to Rs 26058/-per installment of Car payable in 60 instlments of which 07 installments has been paid.

(1) EMI amounting to Rs 32465/-per installment of Car payable in 48 instlments of which 11 installments has been paid.

(1) EMI amounting to Rs 35033/-per installment of Car payable in 60 instlments of which 02 installments has been paid.

(1) EMI amounting to Rs 42581/-per installment of Car payable in 60 instlments of which 10 installments has been paid.

(2) Secured by Hypothication 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 Gurantee of Ajay Kurmar Mimani, Mukesh Mundhra, Vijay Mimani, Suraj Ratan Mundhra. and Exclusive charges on FD of Rs 4.75Cr. along with accrude interest thereon.



**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

**Note 16 Other Financial Liabilities**

(₹ in Lakhs)

Particulars		
	March 31, 2022	March 31, 2021
<b>Non - Current</b>		
Advance against Development	200.00	300.00
	200.00	300.00
<b>Current</b>		
Sundry liabilities for expense	135.02	124.77
	135.02	124.77
<b>Total</b>	<b>335.02</b>	<b>424.77</b>

**Note 17 Provisions**

(₹ in Lakhs)

Particulars		
	31st March, 2022	31st March, 2021
<b>Non - Current</b>		
Provision for Employee Benefits		
(a) Provision for Leave Encashment	29.16	26.76
(b) Provision for Gratuity	200.00	184.29
<b>Total</b>	<b>229.16</b>	<b>211.05</b>
<b>Current</b>		
(a) Provision for Employee Benefits	43.06	41.16
(b) Provision for Gratuity	38.67	19.78
(c) Provision for Leave Encashment	5.45	3.05
<b>Total</b>	<b>87.18</b>	<b>63.99</b>

**Note 18 Trade Payables**

(₹ in Lakhs)

Particulars		
	31st March, 2022	31st March, 2021
Outstanding dues to Micro and Small enterprises	.00	3.42
Outstanding dues to parties other than Micro and Small enterprises	2489.61	1378.66
*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>2489.61</b>	<b>1382.08</b>

Particulars	"Outstanding for following periods from the due date of payment#"				For 2021-22
	"Less than 1 year"	1-2 years	2-3 years	"More than 3 years"	Total
(i) MSME	.00	.00	.00	.00	.00
(ii) Others	2472.50	2.02	4.06	11.03	2489.61
(iii) Disputed dues – MSME					

Particulars	"Outstanding for following periods from the due date of payment#"				For 2020-21
	"Less than 1 year"	1-2 years	2-3 years	"More than 3 years"	Total
(i) MSME	3.42	-	-	-	3.42
(ii) Others	1328.10	7.64	17.23	25.68	1378.66
(iii) Disputed dues – MSME					

# Ageing is considered from the date of transaction

Particulars	Disclouser under MSMED act.	
	(₹ in Lakhs)	
a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	.00	3.42
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	.00	.00
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	.00	.00
d. The amount of interest accrued and remaining unpaid at the end of accounting year		.12
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.	.00	.00



**NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

**Note 19 Other Current liabilities**

(₹ in Lakhs)

Particulars	As at	
	31st March, 2022	31st March, 2021
Statutory Liabilities	45.92	29.15
Advance From Customer	68.12	114.36
<b>Total</b>	<b>114.04</b>	<b>143.51</b>

**Note - 20: Revenue from Operations**

(₹ in Lakhs)

	As at 31.03.2022	As at 31.03.2021
	Sale of products (including excise duty)	
Domestic Sales	8373.48	5556.66
Export Sales	5666.89	3100.28
	14040.37	8656.95
Other Operating revenues		
Duty Drawback	14.61	4.22
Export Incentive	71.35	5.97
	85.97	10.18
<b>Total revenue from continuing operations</b>	<b>14126.34</b>	<b>8667.13</b>

**Note 21 : Other Income**

(₹ in Lakhs)

	As at 31.03.2022	As at 31.03.2021
	Interest Income	
Bank Interest Received	71.67	34.42
Interest Received from Others	2.22	2.22
	73.88	36.64
Other non-operating income		
Others	164.48	104.76
	164.48	104.76
<b>Other Income</b>	<b>238.36</b>	<b>141.40</b>

**Note -22: Cost of Raw Materials & Component Consumed**

(₹ in Lakhs)

	As at 31.03.2022	As at 31.03.2021
	Inventory at the beginning of the year	93.37
Add:- Purchases	10851.80	5649.34
	10945.17	5847.84
Less:- Inventory at the end of year	178.87	93.37
<b>Cost of Raw Materials Consumed</b>	<b>10766.30</b>	<b>5754.47</b>

**Note -23 : (Increase)/Decrease in Inventory**

(₹ in Lakhs)

	As at 31.03.2022	As at 31.03.2021
	Inventories at the end of the Year	
Finished goods	784.34	343.17
	784.34	343.17
Inventories at the beginning of the Year		
Finished goods	343.17	277.17
	343.17	277.17
(Increase)/Decrease In Inventory	-441.17	-65.99

**Note -24 : Employee Benefit Expenses**

(₹ in Lakhs)

	As at 31.03.2022	As at 31.03.2021
	(a) Salaries, Wages and Incentives	662.51
(b) Contribution to Provident and Other funds	62.06	52.95
(c) Staff Welfare Expenses	60.44	35.60
<b>Total</b>	<b>785.01</b>	<b>654.49</b>

**Note- 25 : Finance Cost**

(₹ in Lakhs)

	As at 31.03.2022	As at 31.03.2021
	Interest Expense	81.48
Other Borrowing Cost	69.71	64.89
<b>Total</b>	<b>151.19</b>	<b>191.97</b>



NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

Note- 26 : Other Expenses

(₹ in Lakhs)

	"As at 31.03.2022"	"As at 31.03.2021"
Rent	20.64	5.29
Carriage Outward	176.38	163.46
Research & Development	84.16	9.88
Travelling & Conveyance	83.77	46.02
Repairs & Maintenance		
- Machinery	98.43	117.47
-TRUCK & TANKER	9.46	18.02
Telephone & Postage Expenses	10.38	8.66
Insurance Expenses	10.23	8.53
Filing fees, Rates & Taxes	55.13	56.42
Payment to Auditors		
- Statutory Audit Fees	3.25	3.25
- Tax Audit Fees	.25	.25
- Other Matter	.00	.07
Legal & Consultancy Charges	79.17	52.54
TRUCK & TANKER INSURANCE & OTHER TAX	28.00	31.06
Subscription & Donation	36.39	34.78
Miscellaneous Expenses	137.55	133.12
Export Expenses	616.47	302.89
Import Expenses	8.05	14.47
Loading & Unloading Expenses	22.41	43.41
Write Off	.12	45.14
<b>Total</b>	<b>1480.24</b>	<b>1094.75</b>



**Notes to Standalone Financial Statements for the year ended 31st March, 2022**

**Note 27. Earnings per Share**

(₹ in Lakhs)

	2021-22	2020-21
a) Net profit attributable to the shareholders (PAT)	1048.20	731.03
b) Weighted average no. of equity share of face value of ₹ 10/- each	8,000,000	8,000,000
Basic earnings per share	13.10	9.14
c) Weighted average potential no. of equity shares	8,000,000	8,000,000
Diluted earnings per share	13.10	9.14

**Note 28. Income tax Reconciliation**

(₹ in Lakhs)

Reconciliation of Accounting profit and tax expense	2021-22	2020-21
Profit before tax	1479.82	1030.30
Tax at the Indian tax rate of 29.12% (previous year - 27.82%)	430.92	286.63
Tax effect of amounts which are not deductible (taxable) in calculating taxable income - Companies Act Depreciation	41.73	41.33
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income - Income Tax Act Depreciation	53.86	33.67
Tax effect of other adjustments	-3.66	5.79
Impact of Un absorbed Depreciation	.00	186.18
MAT Impact	-164.14	52.80
<b>Income Tax Recognized in Profit &amp; Loss account (MAT)</b>	<b>258.31</b>	<b>155.11</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) Sonali Khanna Chaubay – Company Secretary - Key Managerial Personnel (Resigned on 07/12/2021)"
- vii) Subhankar Paul – Company Secretary - Key Managerial Personnel (Appoint on 24/02/2022)

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

(₹ in Lakhs)

	Remuneration		Loans & Advances given)	
	2021-22	2020-21	2021-22	2020-21
Key Management Personnel	105.29	75.89	Nil	Nil
Relative of KMP	Nil	Nil	Nil	Nil
Closing Balance	8.48	6.17	Nil	Nil

**(ii) Subsidiary Companies**

- (a) (Ownership Interest – 100%)
- (b) Nature of Transaction

(₹ in Lakhs)

Subsidiary Company	Loan Given		Loan Taken		Interest Receivable		Payable Interest	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Allied Maritime & Infra Engineering Private Ltd		.40	18.33	.00		.05	1.05	
ARCL Petrochemicals Limited		2.24	17.61	5.97		.16	1.29	.18
Ocilim Advisory Services Private Ltd.		.68	17.82			.11	1.03	
Wide Range Merchants Private Ltd.		.71	17.98			.13	1.01	
Nocnex Chemicals Private Ltd.		.71	17.23			.09	2.24	
Yocnex Chemicals Private Ltd.		.69	27.01			.09	1.31	
Suksess Chemicals Private Ltd.		122.71	4.20	129.00		.00	6.22	.96
<b>TOTAL</b>	<b>-</b>	<b>128.14</b>	<b>120.17</b>	<b>134.97</b>	<b>.00</b>	<b>.62</b>	<b>14.15</b>	<b>1.14</b>

**(c) Closing Balance**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Loans Given	.00	130.64
Interest Receivable	.00	.97
Loans Taken	255.14	134.97
Interest Payable	15.29	1.14



Notes to Standalone Financial Statements for the year ended 31st March, 2022

Note 30. Employee Benefits:

a) Present Value of Obligations for Defined Benefits

(₹ in Lakhs)

	Leave Encashment 2021-2022	Leave Encashment 2020-2021	Gratuity (Funded) 2021-2022	Gratuity (Funded) 2020-2021
As at the beginning of the year	29.81	23.86	204.07	171.49
Current Service Cost	3.22	2.94	11.95	10.34
Interest Cost	2.09	1.67	14.28	12.00
Actuarial (Gains)/Losses	1.63	2.29	14.55	18.84
Benefits paid	-2.13	-.96	-6.19	-8.60
As at the end of year	34.60	29.81	238.67	204.07

b) Fair Value of Planned Assets:

(₹ in Lakhs)

	Leave Encashment 2021-2022	Leave Encashment 2020-2021	Gratuity (Funded) 2021-2022	Gratuity (Funded) 2020-2021
As at the beginning of the year		.00		.00
Expected return on plan assets		.00		.00
Contribution by Employer	2.13	.96	6.19	8.60
(Benefits Paid)	-2.13	-.96	-6.19	-8.60
As at the end of the year		.00		.00

c) Reconciliation of Present Value of defined benefits Obligation in "a" above and fair value of Plan assets in above: (₹ in Lakhs)

	Leave Encashment 2021-2022	Leave Encashment 2020-2021	Gratuity (Funded) 2021-2022	Gratuity (Funded) 2020-2021
Present Value of Obligation at the end of the year	34.60	29.81	238.67	204.07
Fair value of plan assets at the end of the year	.00	.00	.00	.00
Net Asset / (Liability) recognized in the Balance Sheet	34.60	29.81	238.67	204.07

d) Actuarial Assumptions

(₹ in Lakhs)

Discount rate per annum compound	7.00%	7.00%
Rate of increase in salaries	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14

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.

e) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, Salary escalation rate, and withdrawal rate. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period while holding all other assumptions constant. The change in the present value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below.

Particulars	2021-2022 (Leave Encashment)		2020-2021 (Gratuity)	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)	34.60		238.67	
Discount rate (-/+ 1%)	32,61,392	36,84,468	227.13	251.34
% change compared to base due to sensitivity	7%	6%	6%	5%
Salary Growth Rate (- / + 1%)	36,86,703	32,55,977	251.46	226.82
% change compared to base due to sensitivity	6%	7%	5%	6%
Withdrawal Rates (- / + 50%)	34,85,943	34,31,821	239.68	237.57
% change compared to base due to sensitivity	1%	1%	0%	0%



**Notes to Standalone Financial Statements for the year ended 31st March, 2022**

**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. Expenditure in Foreign Currency:**

	(₹ in Lakhs)	
	2021-2022	2020-2021
Travelling	5.42	5.79
Commission	NIL	NIL
Business Development Expenses	6.21	NIL

**Note 33. Earnings in Foreign Currency**

	(₹ in Lakhs)	
	2021-2022	2020-2021
Value of Exports on FOB basis	5666.89	3100.28
Brokerage and Commission received	NIL	NIL

**Note 34. CIF Value of imports**

	(₹ in Lakhs)	
	2021-2022	2020-2021
Raw Materials	405.49	283.58

**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.

**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**

The gearing ratio at the end of the reporting period was as follows:

	(₹ in Lakhs)	
Particulars	2021-2022	2020-2021
Debt	1572.71	930.66
Cash and Bank balance	8.56	137.50
Net Debt	1564.15	793.17
Total Equity	4182.40	3149.76
Net debt to Equity ratio/ Gearing Ratio	0.37	0.25

**Notes to Standalone Financial Statements for the year ended 31st March, 2022****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 at March 31, 2022 and March 31, 2021

(₹ in Lakhs)

Financial Assets Measured at Amortized Cost	Current		Non Current	
	2021-22	2020-21	2021-22	2020-21
Trade receivables	3154.50	2287.90	-	-
Cash and cash equivalents	8.56	137.50	-	-
Other Bank Balances	728.20	627.56	-	-
Loans	55.29	52.19	-	-
<b>Other Financial Assets</b>	<b>7.33</b>	<b>2.82</b>	<b>34.62</b>	<b>32.58</b>
	<b>Measured at fair value through OCI</b>			
Investments	.00	.00	124.09	123.47
<b>Total Financial Assets</b>	<b>3953.88</b>	<b>3107.97</b>	<b>158.71</b>	<b>156.06</b>
	<b>Financial Liabilities at Amortized Cost</b>			
	Current		Non-Current	
	2021-22	2020-21	2021-22	2020-21
Borrowings	1084.88	714.38	487.83	216.29
Lease Liabilities	8.03	8.16	19.76	13.44
Trade payables	2489.61	1382.08	.00	.00
Other financial liabilities	135.02	124.77	200.00	340.00
<b>Total Financial Liabilities</b>	<b>3717.54</b>	<b>2229.38</b>	<b>707.60</b>	<b>569.72</b>

**Note 40.** Balance confirmations are awaited in few cases 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 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 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 amortised cost.	Ageing analysis, Credit analysis	Credit limits and analysis of credit-worthiness
Liquidity Risk	Borrowings and other liabilities.	Cash Flow forecasts	Timely evaluation of Credit facilities and regularly payment interest liabilities
Market Risk – foreign exchange	Recognised 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





**Notes to Standalone Financial Statements for the year ended 31st March, 2022**

**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.

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. receivables which are post due (net of allowances/provisions) are given below:

(₹ in Lakhs)		
Age of receivables	2021-22	2020-21
Less than six months	1739.71	1644.07
<b>More than six months</b>	<b>749.90</b>	<b>643.84</b>

b. 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. Diversification of a portfolio is done in accordance with the directions of the Board.

**Note 42. Expenditure on Research and Development**

During this year company incurred Rs 35,33,660/- for the purchase of Research and Development equipment in Fixed Assets and incurred expenses disclose in Note 26 of Rs 84,16,128/-.

**Note-43**

- 1. Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- 2. 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.
- 3. 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
- 4. The Company does not have a policy of closing its books on a quarterly basis and preparing quarterly financials
- 5. Company has not traded or invested in Crypto currency or Virtual Currency during the financial year



6. Ratio Analysis

Sl No	Ratios	Numerator Item	Denominator Item	Ratio-Current Year	Ratio-Previous Year	%age change in the ratio*	Reason
1	Current Ratio,	Current Assets	Current Liabilities	1.581220609	1.715827169	-7.844995246	
2	Debt-Equity Ratio,	Total debt	Equity	1.965890809	1.16332915	68.9883563	New Loan taken from NBFC's
3	Debt Service Coverage Ratio,	Profit before Interest, Depreciation, Tax and Net Profit after tax	Exceptional Items Interest + Short Term Debt	20.91928578	10.27625442	103.5691694	
4	Return on Equity Ratio(%age)	Turnover	Equity	1.310247226	0.913790333	43.38598017	
5	Inventory turnover ratio,	Revenue from Operation + Other Operation Income	(Op inventory+Cl inventory)/2	25.05757902	27.9430001	-10.32609624	Increasing of Profit
6	Trade Receivables turnover ratio,	Turnover	(Op trade receivable +Cl trade receivable payable)/2	5.278803733	4.442358	18.82886822	
7	Trade payables turnover ratio,	Total Purchases	(Op trade payable +Cl trade payable)/2	5.610671786	5.345975944	4.951310008	
8	Net capital turnover ratio,	Revenue From Operation + Exceptional Items	Other Operating Income+Networth	0.353820934	0.327103012	8.168045096	
9	Net profit ratio (%age)	Net Profit After Tax before Profit before Interest, tax	(Revenue From Operation + Other Operating Income)	0.072970389	0.082991421	-12.07478137	
10	Return on Capital employed (%age)	Profit before Interest, tax	Share capital+reserve + long term borrowing	0.33430986	0.343838823	-2.77134577	
11	Return on investment (%age)	Net return on investment	Cost of investment	NA	NA		



## 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 31st March, 2022, 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 significant 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, 2022, of consolidated profit (including Other Comprehensive Loss), 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, but does not include the consolidated financial statements and our auditor's report there on. 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.
- Obtained 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. 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**

13. We did not audit the financial statements of seven subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 412.31 lakhs as at March 31, 2022, total revenues of Rs. 16.12 lakhs, total net profit/ (Loss) after tax of Rs. 4.85 lakhs and total comprehensive loss of Rs. 4.85 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 above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements

below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

14. 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 31st March, 2022 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 31st March, 2022 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".
- (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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
  - 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.

For JSUS & Associates  
Chartered Accountants  
Firm Registration No: 329784E  
(Adrish Roy)  
Partner  
Membership No: 055826  
UDIN:22055826ANFDRH4071

Place: Kolkata  
Date: 25.05.2022

**ANNEXURE- A TO THE INDEPENDENT AUDITOR'S REPORT  
To the members of ARCL ORGANICS LIMITED  
[Referred to in paragraph 14(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")

- 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 31st March 2022 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**

- 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**

- 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.

- 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.
- 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**

- 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
  - 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;
  - 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
  - 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**

- 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**

- In our opinion, to the best of our information and according to the



## ARCL Organics Limited

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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 2022, 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)(l) 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.

For JSUS & Associates  
Chartered Accountants  
Firm Registration No: 329784E

(Adrish Roy)

Partner

Place: Kolkata

Date: 25.05.2022

Membership No: 055826

UDIN:22055826ANFDRH4071



## Consolidated Balance Sheet as at 31 March 2022

(₹ in Lakhs)

	Note No.	As on 31.03.2022	As on 31.03.2021
<b>Non-current assets</b>			
Property, Plant and Equipment	2	2654.06	2024.59
Right of Use	2	26.83	20.53
Financial Assets			
(i) Investments	3	1.83	1.22
(ii) Other financial Assets	4	34.62	32.58
(iii) Loans	10	.00	.00
Deferred Tax Asset (Net)	5	.00	.00
<b>Total Non - Current Assets</b>		<b>2717.34</b>	<b>2078.91</b>
<b>Current assets</b>			
Inventories	6	1220.19	626.74
Financial Assets			
(i) Trade receivables	7	3161.94	2289.78
(ii) Cash and cash equivalents	8	178.00	247.58
(iii) Other Bank Balances	9	728.20	627.56
(iv) Loans	10	55.29	52.04
(v) Other Financial Assets	4	7.33	2.82
Current Tax Assets	11	335.20	391.36
Other current assets	12	1385.76	510.63
<b>Total Current Assets</b>		<b>7071.92</b>	<b>4748.50</b>
<b>Total Assets</b>		<b>9789.26</b>	<b>6827.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	800.00	800.00
Other Equity	14	3454.42	2416.94
<b>Total equity</b>		<b>4254.42</b>	<b>3216.94</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
(i) Borrowings	15	349.01	206.06
<b>(ia) Lease Liabilities</b>		<b>19.76</b>	<b>13.44</b>
(ii) Other financial liabilities	16	200.00	300.00
Provisions	17	229.16	211.05
Deferred Tax Liabilities (Net)	5	164.62	155.46
<b>Total non-current liabilities</b>		<b>962.55</b>	<b>886.01</b>
Current liabilities			
Financial Liabilities			
(i) Borrowings	15	1084.88	714.38
(ia) Lease Liabilities		8.03	8.16
(ii) Trade payables	18		
Outstanding dues to Micro and Small enterprises		.00	3.42
Outstanding dues to parties other than Micro and Small enterprises		2489.61	1380.38
(iii) Other financial liabilities	16	135.02	124.77
Provisions	17	87.18	63.99
Other current liabilities	19	332.07	168.09
<b>Total Current Liabilities</b>		<b>4572.28</b>	<b>2724.47</b>
<b>Total liabilities</b>		<b>5534.83</b>	<b>3610.48</b>
<b>Total Equity &amp; Liabilities</b>		<b>9789.26</b>	<b>6827.42</b>
Significant accounting policies	1		
Additional notes to financial statements	27-44		

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 JSUS & Associates**  
Chartered Accountants  
(Firm registration no. 329784E)

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

**Mukesh Mundhra**     **Ajay Kr. Mimani**  
Director                     Director  
DIN-00658602             DIN-01944889

**Adrish Roy**  
Partner  
(Membership no. 055826)  
Place: Kolkata  
Date: 25/05/2022

**Navneet Bagri**  
Chief Financial Officer

**Subhankar Paul**  
Company Secretary  
(Membership no. A63772)



**Consolidated Statement of Profit and loss as on 31st March, 2022**

(₹ in Lakhs)

	Notes	As on 31.03.2022	As on 31.03.2021
I. Revenue from operations	20	14126.34	8667.13
II. Other income	21	238.61	241.36
<b>III. Total Income (I + II)</b>		<b>14364.95</b>	<b>8908.49</b>
IV. Expenses:			
Cost of materials consumed	22	10766.30	5754.47
"Changes in inventories of work-in-progress, stock-in-trade and finished goods"	23	-441.17	-65.99
Employee benefit expense	24	788.51	658.17
Finance costs	25	135.36	190.87
Depreciation and amortisation expense	2	143.30	148.55
Other expenses	26	1487.98	1099.84
<b>Total expenses</b>		<b>12880.28</b>	<b>7785.90</b>
<b>V. Profit before tax (III - IV)</b>		<b>1484.67</b>	<b>1122.59</b>
Income tax expenses			
- Current tax		258.31	174.87
- MAT Credit		164.14	-52.80
- Deferred tax		9.16	196.96
<b>Total tax expense</b>		<b>431.62</b>	<b>319.03</b>
<b>Profit after tax</b>		<b>1053.05</b>	<b>803.56</b>
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss			.00
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		-16.18	-21.13
(ii) Income tax relating to items that will not be reclassified to profit and loss		.62	.34
Other comprehensive income for the year, net of tax		-15.56	-20.79
<b>Total comprehensive income for the year</b>		<b>1037.49</b>	<b>782.77</b>
Earnings per equity share attributable to owners of ARCL Organics Limited:			
Basic earnings per share		13.16	10.04
Diluted earnings per share		13.16	10.04

Summary of Significant Accounting Policies

1

Additional notes to financial statements

27-44

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 JSUS & Associates**

Chartered Accountants  
(Firm registration no. 329784E)

**Suraj Ratan Mundhra**

Managing Director  
DIN-00681223

**Mukesh Mundhra**

Director  
DIN-00658602

**Ajay Kr. Mimani**

Director  
DIN-01944889

**Adrish Roy**

Partner  
(Membership no. 055826)  
Place: Kolkata  
Date: 25/05/2022

**Navneet Bagri**

Chief Financial Officer

**Subhankar Paul**

Company Secretary  
(Membership no. A63772)





**Statement of Changes in Equity for the year ended 31 March 2022**

**A. Equity Share Capital**

(₹ in Lakhs)

	Notes	
<b>As at 1 April 2020</b>		<b>800.00</b>
Changes in equity share capital		
<b>As at 31 March 2021</b>	<b>13</b>	<b>800.00</b>
Changes in equity share capital		
<b>As at 31 March 2022</b>		<b>800.00</b>

**B. Consolidated Other Equity**

(₹ in Lakhs)

	Notes	Other Comprehensive Income					Total other equity
		Securities premium reserve	Cap reserve	Retained earnings benefit plans	Remeasurements of the defined Instrument	Fair valuation of Equity	
<b>Balance at 31 March 2020</b>	<b>14</b>	<b>1122.50</b>	<b>.03</b>	<b>540.01</b>	<b>-26.42</b>	<b>-1.96</b>	<b>1634.16</b>
Profit for the year				803.56		803.56	
Other comprehensive income					-21.13	.34	-20.79
Adjustments						.00	
<b>Total comprehensive income for the year</b>		<b>.00</b>	<b>.00</b>	<b>803.56</b>	<b>-21.13</b>	<b>.34</b>	<b>782.77</b>
Balance at 31 March 2021		1122.50	.03	1343.57	-47.55	-1.62	2416.94
Profit for the year				1053.05		1053.05	
Other comprehensive income					-16.18	.62	-15.56
<b>Total comprehensive income for the year</b>		<b>.00</b>		<b>1053.05</b>	<b>-16.18</b>	<b>.62</b>	<b>1037.49</b>
<b>Balance at 31 March 2022</b>		<b>1122.50</b>	<b>.03</b>	<b>2396.62</b>	<b>-63.72</b>	<b>-1.01</b>	<b>3454.42</b>

**For JSUS & Associates**

**Chartered Accountants**

**(Firm registration no. 329784E)**

**Partner Adrish Roy**

**(Membership no. 055826)**

**Place: Kolkata**

**Date: 25/05/2022**



## Consolidated Cash Flow Statement for the year ended 31st March, 2022

(₹ in Lakhs)

	As on 31.03.2022		As on 31.03.2021	
<b>A. Cash Flow from Operating Activities</b>				
Net profit before tax as per Statement of Profit and Loss		1484.67		1122.59
<b>Adjustments for :</b>				
Depreciation on Tangible Assets	143.30		148.55	
Interest Income	-71.67		-34.42	
Interest Expense	65.61		125.85	
Actuarial Gain /loss transferred to OCI	-15.56		-20.79	
		121.69		219.19
<b>Operating Profit Before Working Capital Changes</b>		<b>1606.36</b>		<b>1341.78</b>
Increase / (Decrease) in Trade Payables	1105.81		-10.58	
Increase / (Decrease) in Other Current Liabilities	163.98		144.09	
Increase / (Decrease) in Short Term Provisions	23.19		14.80	
Increase / (Decrease) in Long Term Provisions	18.11		35.38	
Increase / (Decrease) in Other Current financial Liabilities	10.26		16.28	
Increase / (Decrease) in Other Non Current financial Liabilities	-100.00		-26.56	
(Increase) / Decrease in Other Bank balances	-100.64		-6.68	
(Increase) / Decrease in Trade receivables	-872.17		-600.19	
(Increase) / Decrease in Inventories	-593.45		-53.97	
(Increase) / Decrease in Loans and Advances	-3.25		-52.04	
(Increase) / Decrease in Other Current Assets	-862.00		-70.00	
(Increase) / Decrease in Other Current Financial Assets	-4.52		-.17	
(Increase) / Decrease in Other Non Current financial Assets	-2.04		.00	
(Increase) / Decrease in Long Term Loans & Advances	.00	-1216.72	.00	-609.64
Cash generated from operations		389.63		732.14
Taxes paid (Net of refunds)		205.22		100.00
<b>Net cash Generated/(used) from operating activities (A)</b>		<b>184.41</b>		<b>632.14</b>
<b>B. Cash Flow from Investing Activities</b>				
Purchase of fixed assets	-791.81		-110.77	
Disposal of Fixed Assets	12.74		18.27	
Investments in Subsidiaries	-.62		-.34	
Interest Received	71.67		34.42	
<b>Net cash from investing activities (B)</b>		<b>-708.02</b>		<b>-58.41</b>
<b>C. Cash flow From Financing Activities</b>				
Proceeds from short - term borrowings	370.37		60.58	
Proceeds/(Repayment) from long - term borrowings	149.27		-367.70	
Interest Paid	-65.61	454.03	-125.85	-432.97
<b>Net cash used for financing activities (C )</b>		<b>454.03</b>		<b>-432.97</b>
Net Increase/(decrease in cash and cash equivalents (A+B+C)		-69.58		140.76
Cash and Cash equivalent at the beginning of the year		247.58		106.82
Cash and Cash equivalent at the end of the year		178.00		247.58
Changes in Cash and Cash Equivalents - Increase/(Decrease)		69.58		-140.76

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

For and on behalf of the Board

**For JSUS & Associates**Chartered Accountants  
(Firm registration no. 329784E)**Adrish Roy**Partner  
(Membership no. 055826)  
Place: Kolkata  
Date: 25/05/2022**Suraj Ratan Mundhra**Managing Director  
DIN-00681223**Navneet Bagri**

Chief Financial Officer

**Mukesh Mundhra**Director  
DIN-00658602**Ajay Kr. Mimani**Director  
DIN-01944889**Subhankar Paul**Company Secretary  
(Membership no. A63772)



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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.



**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.

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.

These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2021 were authorized for issue in accordance with the resolution of the Board of Directors on 28th April, 2022.

The Company, its subsidiaries (jointly referred to as the 'Group' herein under) considered in these consolidated financial statements are:

Subsidiaries	Country of Incorporation	Principle s Activitie	2021-22	2020-21
Allied Maritime & Infra Engineering Private Ltd	India	Infrastructural Facilities	100%	100%
ARCL Petrochemicals Limited	India	Trading in Petro Chemical Products	100%	100%
Ocilim Advisory Services Private Ltd.	India	Corporate Service	100%	100%
Wide Range Merchants Private Ltd.	India	Trading In chemicals	100%	100%
Nocnex Chemicals Private Ltd.	India	Trading In chemicals	100%	100%
Yocnex Chemicals Private Ltd.	India	Trading In chemicals	100%	100%
Suksess Chemicals Private Ltd.	India	Trading In chemicals	100%	100%

**B. Significant 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 2021.

**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. Inter company transactions, balances and unrealised gains on transactions between group companies are eliminated. Un realised 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



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**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 De recognition**

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 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 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.



NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

(₹ in Lakhs)

	Freehold Land	Buildings	Office Building	Furniture and Fixtures	Car	Tanker	Electric Installation	Air Conditioner	Computer	Software	Office Equipments	Plant & Machinery progress	R&D Equipments	Total Right of Use
Accumulated depreciation as at 1 April 2020	586.40	195.62	2.70	32.65	85.04	153.80	4.19	3.46	16.72	1.12	6.01	1420.31	.59	2508.60
Additions	1.25	.00	.00	23.48	5.93	3.00	5.96	.28	2.85	.00	.70	38.17	.97	82.58
Disposals	14.43	.00	.00	.00	20.88	.00	.00	.00	.00	.00	.00	.00	.00	35.32
Closing accumulated depreciation as on 31.03.2021	571.97	196.87	2.70	56.13	70.09	156.80	10.15	3.74	19.57	1.12	6.71	1458.48	1.56	2555.87
Additions	17.59	.18	.00	10.94	82.82	.00	28.19	1.44	4.47	.00	1.20	586.40	35.34	768.57
Disposals	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	23.24
Net carrying amount as at 31 March 2022	571.97	214.46	2.87	67.07	152.91	156.80	38.34	5.18	24.03	1.12	7.91	2044.88	36.89	3324.44
Accumulated depreciation as at 1 April 2020	.00	37.53	.13	9.95	20.41	48.05	1.54	1.30	7.73	.04	1.51	279.25	.00	407.44
Depreciation charge during the year	.00	11.12	.04	3.66	11.74	17.59	.57	.47	2.43	.18	.91	92.10	.07	140.89
Disposals					17.04									17.04
Closing accumulated depreciation as on 31.03.2021	.00	48.65	.18	13.61	15.11	65.64	2.11	1.78	10.16	.22	2.42	371.34	.07	531.28
Depreciation charge during the year	.00	9.18	.05	5.31	15.16	14.62	2.27	.65	3.52	.18	1.07	85.66	1.44	139.10
Disposals					.00									.00
Net carrying amount as at 31 March 2022	.00	57.83	.22	18.92	30.27	80.25	4.38	2.43	13.68	.40	3.49	457.00	1.51	670.38
Net carrying amount as at 1 April 2020 (PY)	586.40	158.09	2.56	22.70	64.63	105.75	2.65	2.16	9.00	1.07	4.50	1141.06	.58	2101.17
Net carrying amount as at 31 March 2021	571.97	148.22	2.52	42.52	54.99	91.17	8.04	1.96	9.41	.90	4.29	1087.14	1.48	2024.59
Net carrying amount as at 31 March 2022	571.97	156.63	2.65	48.15	122.64	76.55	33.97	2.75	10.35	.72	4.41	1587.88	35.38	2654.06



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

**Note 3 Investments**

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
(A) Investment in Others - Quoted* Bank of Baroda 1640 Equity shares FV Rs. 2 each	1.83	1.22
<b>Total</b>	<b>1.83</b>	<b>1.22</b>

**Note 4 Other financial Assets**

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
Non Current Deposit with CESC	34.62	32.58
<b>Total</b>	<b>34.62</b>	<b>32.58</b>
Current Security Deposits	7.33	2.82
<b>Total</b>	<b>7.33</b>	<b>2.82</b>

**Note 5 Deferred tax Liability (net)**

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets: Timing difference on account of: Defined benefit obligations	79.58	65.07
Deferred Tax Assets (A)	79.58	65.07
Less : Deferred Tax Liabilities Timing difference on account of: Property, plant and equipment	-244.20	-220.52
Deferred Tax Liabilities (B)	-244.20	-220.52
<b>Deferred Tax Asset (Net)</b>	<b>-164.62</b>	<b>-155.46</b>

**Note 6 : Inventories (valued at lower of cost and net realizable value) \***

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
"Raw Materials"	178.87	93.37
Finished goods	784.34	343.17
Stores and spares	256.98	190.19
<b>Total</b>	<b>1220.19</b>	<b>626.74</b>

\* As taken, valued and certified by the management

**Note 7: Trade Receivables**

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
Considered Good- Secured	.00	.00
Considered Good- Unsecured	3161.94	2289.78
Considered Good- Doubtful	.00	.00
Less : Provision for Doubtful Debts	.00	.00
Unsecured, Considered Doubtfull	.00	.00
<b>Total</b>	<b>3161.94</b>	<b>2289.78</b>





**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment#					2022
	"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	2697.62	22.31	100.96	171.42	169.63	3161.94
(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#					2021
	"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	1774.11	25.69	160.89	302.42	26.67	2289.78
(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	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
<b>(a) Balances with banks</b>		
(i) In Current Account	166.39	206.79
(b) Cash in hand	11.62	40.79
<b>Total</b>	<b>178.00</b>	<b>247.58</b>

**Note 9 Other Bank Balances**

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
Earmarked Balances		
-Margin Money	229.49	151.04
Other Deposit Account	498.71	476.52
-Deposit accounts with maturity beyond three months upto twelve months		
<b>Total</b>	<b>728.20</b>	<b>627.56</b>

**Note 10 Loans**

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
Non Current		
Loan to Others	.00	
<b>Total</b>	<b>.00</b>	<b>.00</b>
Current		
Loan To Others	55.29	46.47
Loan to Related Party	.00	5.57
<b>Total</b>	<b>55.29</b>	<b>52.04</b>

\* This represents the interest portion of books subsequently by subsidiaries

**Note-11 Current Tax Assets**

Particulars	(₹ in Lakhs)	(₹ in Lakhs)
	As at March 31, 2022	As at March 31, 2021
Non Current		
Advance tax including TDS & MAT Credit	335.20	391.36
Prov. For Income Tax	-435.50	-261.29
<b>Total</b>	<b>-100.29</b>	<b>130.07</b>



## NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

## Note 12 Other Current Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	(₹ in Lakhs)		(₹ in Lakhs)	
(i) Advances other than Capital Advances				
Advance to Creditors		831.98		305.95
Other Receivables		39.52		84.02
Paid for NCLT purchase of RCHEM Pvt Ltd.		35.13		.00
		<b>906.62</b>		<b>389.98</b>
(ii) Others				
Prepaid Expenses		.00		.00
CENVAT/ Service Tax/ Sales Tax recoverable		98.53		97.11
GST Input (net of Output)		380.62		23.54
Advance to Suppliers		.00		.00
		479.14		120.66

## Note 13 : Share Capital

	As at 31st March, 2022		As at 31st March, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
Authorised				
Equity shares of Rs.10 each	33750000	3375.00	33750000	3375.00
		<b>3375.00</b>		<b>3375.00</b>
Issued, Subscribed & Paid up				
Equity shares of Rs.10 each	8000000	800.00	8000000	800.00
		<b>800.00</b>		<b>800.00</b>

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

	As at 31st March, 2022		As at 31st March, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
Authorised				
Equity shares of Rs.10 each	33750000	3375.00	33750000	3375.00
		<b>3375.00</b>		<b>3375.00</b>
Issued, Subscribed & Paid up				
Equity shares of Rs.10 each	8000000	800.00	8000000	800.00
		<b>800.00</b>		<b>800.00</b>

\* 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 preceeding five years from the date of this balance sheet

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

## EQUITY SHARES

	As at 31st March, 2022		As at 31st March, 2021	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
At the beginning of the period	8000000	800.00	8000000	800.00
Issued during the period	0	.00	0	.00
<b>Outstanding at the end of the period</b>	<b>8000000</b>	<b>800.00</b>	<b>8000000</b>	<b>800.00</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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in 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	As at 31st March, 2022		As at 31st March, 2021	
	(₹ in Lakhs)		(₹ in Lakhs)	
General Reserve		.00		.00
Capital Reserve		.03		.03
Securities Premium Reserve		1122.50		1122.50
Retained earnings		2396.62		1343.57
Other comprehensive income		-64.73		-49.17
<b>Total</b>		<b>3454.42</b>		<b>2416.94</b>



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

**Note 15 Borrowings**

Particulars	₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Non - Current</b>		
<b>Secured</b>		
Vehicle loan from Bank (Hypothecation of Vehicle) (1)	82.30	61.00
	<b>82.30</b>	<b>61.00</b>
<b>Unsecured</b>		
Loan from Body Coporate	96.06	5.72
Loan from Others	124.65	101.30
Loan from Other Bank		
(i) Yes Bank	27.23	16.35
(ii) ICICI Bank	18.77	21.69
	<b>266.71</b>	<b>145.06</b>
<b>Total</b>	<b>349.01</b>	<b>206.06</b>
<b>Current</b>		
<b>Secured</b>		
Other loans from banks		
Fund Based - Cash Credit (2)		
(i) Bank of Baroda	465.57	468.74
(ii) Central Bank of India (CBI)	74.22	53.14
Curent Maturity of Long term Debt	65.23	78.80
<b>Unsecured</b>		
Loan from NBFC	226.96	52.57
Loan from Other Bank		
(i) Yes Bank	75.98	40.09
(ii) ICICI Bank	26.23	13.18
(iii) Central Bank of India	14.68	7.85
(iv) Bank of Baroda	136.00	
<b>Total</b>	<b>1084.88</b>	<b>714.38</b>

- (1) EMI amounting to Rs 20621/-per installment per truck body for 4 truck payable in 53 installments of which 43 installments has been paid.
- (1) EMI amounting to Rs 62504/-per installment per truck for 4 truck payable in 65 instlments of which 43 installments has been paid.
- (1) EMI amounting to Rs 37833/-per installment of Car payable in 40 instlments of which 33 installments has been paid.
- (1) EMI amounting to Rs 59473/-per installment of Car payable in 65 instlments of which 54 installments has been paid.
- (1) EMI amounting to Rs 18731/-per installment of Car payable in 60 instlments of which 25 installments has been paid.
- (1) EMI amounting to Rs 9619/-per installment of Car payable in 60 instlments of which 24 installments has been paid.
- (1) EMI amounting to Rs 34300/-per installment of Truck Re-Finance payable in 36 instlments of which 33 installments has been paid.
- (1) EMI amounting to Rs 29580/-per installment of Truck Re-Finance payable in 36 instlments of which 33 installments has been paid.
- (1) EMI amounting to Rs 26820/-per installment of Truck Re-Finance payable in 36 instlments of which 33 installments has been paid.
- (1) EMI amounting to Rs 27440/-per installment of Truck Re-Finance payable in 36 instlments of which 29 installments has been paid.
- (1) EMI amounting to Rs 14769/-per installment of Car payable in 48 instlments of which 04 installments has been paid.
- (1) EMI amounting to Rs 26058/-per installment of Car payable in 60 instlments of which 07 installments has been paid.
- (1) EMI amounting to Rs 32465/-per installment of Car payable in 48 instlments of which 11 installments has been paid.
- (1) EMI amounting to Rs 35033/-per installment of Car payable in 60 instlments of which 02 installments has been paid.
- (1) EMI amounting to Rs 42581/-per installment of Car payable in 60 instlments of which 10 installments has been paid.
- (2) Secured by Hypothication 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 Gurantee of Ajay Kurmar Mimani, Mukesh Mundhra, Vijay Mimani, Suraj Ratan Mundhra. Corporate gurantee 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	₹ in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Non - Current</b>		
Advance against Development	200.00	300.00
	200.00	300.00
<b>Current</b>		
Sundry liabilities for expense	.00	.00
	135.02	124.77
	<b>135.02</b>	<b>124.77</b>
<b>Total</b>	<b>335.02</b>	<b>424.77</b>



NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022

**Note 17 Provisions**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Non - Current		
Provision for Employee Benefits		
(a) Provision for Leave Encashment	29.16	26.76
(b) Provision for Gratuity	200.00	184.29
<b>Total</b>	<b>229.16</b>	<b>211.05</b>
Current		
(a) Provision for Employee Benefits	43.06	41.16
(b) Provision for Gratuity	38.67	19.78
(c) Provision for Leave Encashment	5.45	3.05
<b>Total</b>	<b>87.18</b>	<b>63.99</b>

**Note 18 Trade Payables**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Outstanding dues to Micro and Small enterprises	.00	3.42
Outstanding dues to parties other than Micro and Small enterprises	2489.61	1380.38
*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>2489.61</b>	<b>1383.81</b>
Disclouser under MSMED act.		
a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	.00	3.42
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	.00	.00
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	.00	.00
d. The amount of interest accrued and remaining unpaid at the end of accounting year	.00	.12
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.	.00	.00

Particulars	"Outstanding for following periods from the due date of payment#"				For 2021-22
	"Less than 1 year"	1-2 years	2-3 years	"More than 3 years"	Total
(i) MSME	.00	.00	.00	.00	.00
(ii) Others	2472.50	2.02	4.06	11.03	2489.61
(iii) Disputed dues – MSME					

Particulars	"Outstanding for following periods from the due date of payment#"				For 2020-21
	"Less than 1 year"	1-2 years	2-3 years	"More than 3 years"	Total
(i) MSME	3.42	-	-	-	3.42
(ii) Others	1329.83	7.64	17.23	25.68	1380.38
(iii) Disputed dues – MSME					

# Ageing is considered from the date of transaction

**Note 19 Other Current liabilities**

Particulars	(₹ in Lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
Statutory Liabilities	51.24	53.73
Advance from Customer	280.83	114.36
<b>Total</b>	<b>332.07</b>	<b>168.09</b>



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

**Note - 20: Revenue from Operations**

Particulars	(₹ in Lakhs)	
	"As at 31.03.2022"	"As at 31.03.2021"
Sale of products (including excise duty)		
Domestic Sales	8373.48	5556.66
Export Sales	5666.89	3100.28
	<b>14040.37</b>	<b>8656.95</b>
Other Operating revenues		
Duty Drawback	14.61	4.22
Export Incentive	71.35	5.97
	85.97	10.18
<b>Total revenue from continuing operations</b>	<b>14126.34</b>	<b>8667.13</b>

**Note 21 : Other Income**

Particulars	(₹ in Lakhs)	
	"As at 31.03.2022"	"As at 31.03.2021"
Interest Income		
Bank Interest Received	71.67	34.42
Dividend Income	2.22	2.22
	<b>73.88</b>	<b>36.64</b>
Other non-operating income		
Others	164.73	204.72
	164.73	204.72
<b>Other Income</b>	<b>238.61</b>	<b>241.36</b>

**Note -22: Cost of Raw Materials & Component Consumed**

Particulars	(₹ in Lakhs)	
	"As at 31.03.2022"	"As at 31.03.2021"
Inventory at the beginning of the year	93.37	198.50
Add:- Purchases	10851.80	5649.34
	10945.17	5847.84
Less:- Inventory at the end of year	178.87	93.37
<b>Cost of Raw Materials Consumed</b>	<b>10766.30</b>	<b>5754.47</b>

**Note -23 : (Increase)/Decrease in Inventory**

Particulars	(₹ in Lakhs)	
	"As at 31.03.2022"	"As at 31.03.2021"
Inventories at the end of the Year		
Finished goods	784.34	343.17
	<b>784.34</b>	<b>343.17</b>
Inventories at the beginning of the Year		
Finished goods	343.17	277.17
	343.17	277.17
<b>(Increase)/Decrease In Inventory</b>	<b>-441.17</b>	<b>-65.99</b>

**Note -24 : Employee Benefit Expenses**

Particulars	(₹ in Lakhs)	
	"As at 31.03.2022"	"As at 31.03.2021"
(a) Salaries ,Wages and Incentives	666.01	569.62
(b) Contribution to Provident and Other funds	62.06	52.95
(c) Staff Welfare Expenses	60.44	35.60
<b>Total</b>	<b>788.51</b>	<b>658.17</b>

**Note- 25 : Finance Cost**

Particulars	(₹ in Lakhs)	
	"As at 31.03.2022"	"As at 31.03.2021"
Interest Expense	65.61	125.85
Other Borrowing Cost	69.75	65.02
<b>Total</b>	<b>135.36</b>	<b>190.87</b>



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March 2022**

**Note- 26 : Other Expenses**

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
Rent	20.64	5.29
Carriage Outward	176.38	163.46
Research & Development	84.16	9.88
Travelling & Conveyance	83.77	46.02
Repairs & Maintenance		
- Machinery	98.43	117.47
-TRUCK & TANKER	9.46	18.02
Telephone & Postage Expenses	10.38	8.66
Insurance Expenses	10.23	8.53
Filing fees, Rates & Taxes	62.39	56.73
Payment to Auditors		
- Statutory Audit Fees	3.60	3.60
- Tax Audit Fees	.25	.25
- Other Matter	.00	.07
Legal & Consultancy Charges	79.17	52.57
TRUCK & TANKER INSURANCE & OTHER TAX	28.00	31.06
Subscription & Donation	36.39	34.78
Miscellaneous Expenses	137.67	137.52
Export Expenses	616.47	302.89
Import Expenses	8.05	14.47
Loading & Unloading Expenses	22.41	43.41
Write Off	.12	45.14
<b>Total</b>	<b>1487.98</b>	<b>1099.84</b>

**Note 27 Earning Per Share**

	(₹ in Lakhs)	
	2021-22	2020-21
a) Net profit attributable to the shareholders (PAT)	1053.05	803.56
b) Weighted average no. of equity share of face value of ` 10/- each	8,000,000	8,000,000
Basic earnings per share	13.16	10.04
c) Weighted average potential no. of equity shares	8,000,000	8,000,000
<b>Diluted earnings per share</b>	<b>13.16</b>	<b>10.04</b>

**Note 28 - Income tax Reconciliation**

Reconciliation of Accounting profit and tax expense	(₹ in Lakhs)	
	2021-22	2020-21
Profit before tax	1484.67	1122.59
Tax at the Indian tax rate of 29.12% (previous year - 27.82%)	430.92	306.39
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Companies Act Depreciation	41.73	41.33
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Income Tax Act Depreciation	53.86	33.59
Tax effect of other adjustments	-3.66	5.88
Impact of Unabsorbed Depreciation Test	.00	186.18
MAT Impact	-164.14	52.80
<b>Income Tax Recognized in Profit &amp; Loss account (MAT)</b>	<b>258.31</b>	<b>174.87</b>



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

**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) Sonali Khanna Chaubay – Company Secretary - Key Managerial Personnel (Resigned on 07/12/2021)"

vii) Subhankar Paul – Company Secretary - Key Managerial Personnel (Appointed on 24/02/2022)

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

(₹ in Lakhs)

	Remuneration (₹)		Loans & Advances given (₹)	
	2021-22	2020-21	2021-22	2020-21
Key Management Personnel	105.29	75.89	Nil	Nil
Relative of KMP	Nil	Nil	Nil	Nil
Closing Balance	8.48	6.17	Nil	Nil

**Note 30 - Employee Benefits:**

**a) Present Value of Obligations for Defined Benefits:**

(₹ in Lakhs)

	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	2021-22	2020-21	2021-22	2020-21
As at the beginning of the year	29.81	23.86	204.07	171.49
Current Service Cost	3.22	2.94	11.95	10.34
Interest Cost	2.09	1.67	14.28	12.00
Actuarial (Gains)/Losses	1.63	2.29	14.55	18.84
Benefits paid	-2.13	-.96	-6.19	-8.60
As at the end of year	34.60	29.81	238.67	204.07

**(b) Fair Value of Planned Assets:**

(₹ in Lakhs)

	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	2021-22	2020-21	2021-22	2020-21
As at the beginning of the year	.00	.00	.00	.00
Expected return on plan assets	.00	.00	.00	.00
Contribution by Employer	2.13	.96	6.19	8.60
(Benefits Paid)	-2.13	-.96	-6.19	-8.60
As at the end of the year	.00	.00	.00	.00

**(c) Reconciliation of Present Value of defined benefits Obligation in "a" above and fair value of Plan assets in above:**

(₹ in Lakhs)

	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	2021-22	2020-21	2021-22	2020-21
Present Value of Obligation at the end of the year	34.60	29.81	238.67	204.07
Fair value of plan assets at the end of the year	.00	.00	.00	.00
Net Asset / (Liability) recognized in the Balance Sheet	34.60	29.81	238.67	204.07

**(d) Actuarial Assumptions**

Discount rate per annum compound	7.00%	7.00%
Rate of increase in salaries	5.00%	5.00%
Mortality	IALM 2012-14	IALM 2012-14

**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.

**a) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, Salary escalation rate and withdrawal rate. The sensitivity analysis below has determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The change in the present value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below.



**NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**

Particulars	2021-2022 (Leave Encashment)		2020-2021 (Gratuity)	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)	<b>34.60</b>		<b>238.67</b>	
Discount rate (-/+ 1%)	32,61,392	36,84,468	227.13	251.34
% change compared to base due to sensitivity	7%	6%	6%	5%
Salary Growth Rate (- / + 1%)	36,86,703	32,55,977	251.46	226.82
% change compared to base due to sensitivity	6%	7%	5%	6%
Withdrawal Rates (- / + 50%)	34,85,943	34,31,821	239.68	237.57
% change compared to base due to sensitivity	1%	1%	0%	0%

**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. Expenditure in Foreign Currency:**

(₹ in Lakhs)

	2021-2022	2020-2021
Travelling	5.42	5.79
Commission	NIL	NIL
Business Development Expenses	6.21	NIL

**Note 33. Earnings in Foreign Currency**

(₹ in Lakhs)

	2021-2022	2020-2021
Value of Exports on FOB basis	5666.89	3100.28
Brokerage and Commission received	NIL	NIL

**Note 34. CIF Value of imports**

(₹ in Lakhs)

	2021-2022	2020-2021
Raw Materials	405.49	283.58

**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.

**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**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Debt	1433.89	920.44
Cash and Bank balance	178.00	247.58
Net Debt	1255.88	672.86
Total Equity	4254.42	3216.94
Net debt to Equity ratio/ Gearing Ratio	0.30	0.21





**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 at March 31, 2022 and March 31, 2021

(Rs. in Lakh)

Financial Assets Measured at Amortized Cost	Current		Non Current	
	2020-21	2019-20	2020-21	2019-20
Trade receivables	3161.94	2289.78	-	-
Cash and cash equivalents	178.00	247.58		-
Other Bank Balances	728.20	627.56		-
Loans	55.29	52.04	-	-
Other Financial Assets	7.33	2.82	34.62	32.58
Measured at fair value through OCI				
Investments		-	1.83	1.22
<b>Total Financial Assets</b>	<b>4130.76</b>	<b>3219.78</b>	<b>36.45</b>	<b>33.80</b>
Current		Non-Current		
Financial Liabilities at Amortized Cost	2021-22	2020-21	2021-22	2020-21
Borrowings	1084.88	714.38	349.01	206.06
Lease Liabilities	8.03	8.16	19.76	13.44
Trade payables	2489.61	1383.81	.00	-
Other financial liabilities	135.02	124.77	200.00	300.00
<b>Total Financial Liabilities</b>	<b>3717.54</b>	<b>2231.11</b>	<b>568.77</b>	<b>519.50</b>

**Note 40.** Balance confirmations are awaited in few cases 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 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 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

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit analysis	Credit limits and analysis of credit-worthiness
Liquidity Risk	Borrowings and other liabilities.	Cash Flow forecasts	Timely evaluation of Credit facilities and regularly payment interest liabilities
Market Risk – foreign exchange	Recognised 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



**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. 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: **(₹ in Lakhs)**

Age of receivables	2021-22	2020-21
Less than six months	2412.04	1637.72
More than six months	749.90	652.06

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.

**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.

**Note 42 Expenditure on Research and Development**

During this year company incurred Rs 35,33,660/- for the purchase of Research and Development equipment in Fixed Assets and incurred expenses disclose in Note 26 of Rs 84,16,128/-.

**Note 43.**

1. Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
2. 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.
3. 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
4. The Company does not have a policy of closing its books on a quarterly basis and preparing quarterly financials
5. Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

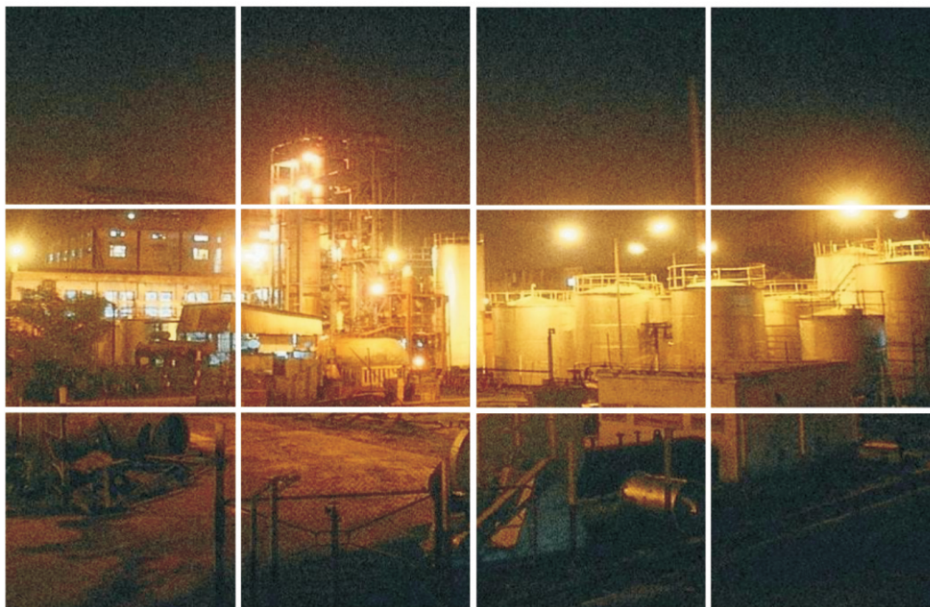


6. Ratio Analysis		(₹ in Lakhs)					
SI No	Ratios	Numerator Item	Denominator Item	Ratio-Current Year	Ratio-Previous Year	%age change in the ratio <sup>1</sup>	Reason
1	Current Ratio,	Current Assets	Current Liabilities	1.546693467	1.742906405	-11.25780121	
2	Debt-Equity Ratio,	Total debt	Equity	1.7923360947	1.1505485	55.78317181	New Loan taken from NBFC's
3	Debt Service Coverage Ratio,	Profit before Interest,	Interest + Short Term Debt	25.81203927	11.10054253	132.529529	Repayment of Loans & Increase in profit
4	Return on Equity Ratio(%age)	Net Profit after tax	Equity	1.296858309	0.978468221	32.53964528	
5	Inventory turnover ratio,	Turnover	(Op inventory+Cl inventory)/2	25.05757902	27.9430001	-10.32609624	
6	Trade Receivables turnover ratio,	Revenue from Operation	Other Operation Income	5.278803733	4.442358	18.82886822	
7	Trade payables turnover ratio,	Total Purchases	(Op trade payable	5.610671786	5.345975944	4.951310008	
8	Net capital turnover ratio,	Revenue From Operation	Networth	0.353820934	0.327103012	8.168045096	
9	Net profit ratio (%age)	Net Profit After Tax before	(Revenue From Operation +	0.072970389	0.082991421	-12.07478137	
10	Return on Capital employed (%age)	Profit before Interest, tax	Share capital+reserve +	0.33430986	0.343838823	-2.77134577	
11	Return on investment.(%age)	Net return on investment	Cost of investment NA	NA			

**Note 44**

Additional Disclosure required in accordance with Schedule III to the Companies Act, 2013

Name of Entity in the Group	Net Asset i.e. total liabilities		Total assets minus Share in profit or loss		Share in other comprehensive income		Share in other comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	Share in total comprehensive income Amount	As % of total comprehensive income	Amount	
<b>Parent</b>								
ARCL ORGANICS LTD	98.31	4182.43	99.54	1048.20	100	-15.56	100	1032.64
<b>Subsidiary</b>								
Allied Maritime & Infra Engineering Private Ltd	0.03	1.28	0.08	.87	-	.00	0.08	.87
ARCL Petrochemicals Limited	0.01	.29	0.05	.55	-	.00	0.05	.55
Ocilim Advisory Services Private Ltd.	-0.03	-1.39	0.05	.52	-	.00	0.05	.52
Wide Range Merchants Private Ltd.	-0.06	-2.48	0.05	.51	-	.00	0.05	.51
Noonex Chemicals Private Ltd.	0.01	.47	0.18	1.88	-	.00	0.18	1.88
Yocnex Chemicals Private Ltd.	-0.01	-.49	0.08	.86	-	.00	0.08	.86
Suksess Chemicals Private Ltd.	1.75	74.32	-0.03	-.34	-	.00	-0.03	-.34
Total	100	4254.42	100	1053.05	100	-15.56	100	1037.49



# STRONGBOND



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