ARCL ORGANICS LTD

Balance Sheet as at 31st March 2023

(₹ in Lakhs)

	Note No.	As at 31st March 2023	As at 31st March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	4528.05	2567.45
Right of Use	2	17.20	26.83
Financial Assets			
(i) Investments	3	125.03	124.09
(ii) Other financial Assets	4	67.43	34.62
Total Non - Current Assets		**4737.70**	**2752.99**
Current assets			
Inventories	6	1255.39	1220.19
Financial Assets			
(i) Trade receivables	7	3191.39	3154.50
(ii) Cash and cash equivalents	8	143.37	8.56
(iii) Other Bank Balances	9	690.33	728.20
(iv) Loans	10	188.69	55.29
(v) Other Financial Assets	4	7.31	7.33
Other current assets	12	1068.94	1381.11
Total Current Assets		**6545.42**	**6555.18**
Total Assets		**11283.12**	**9308.17**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	13	800.00	800.00
Other Equity	14	4562.90	3382.40
Total equity		**5362.90**	**4182.40**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	15	1034.25	487.83
(ia) Lease Liabilities		9.23	19.76
(ii) Other financial liabilities	16	.00	200.00
Provisions	17	240.80	229.16
Deferred Tax Liabilities (Net)	5	332.59	164.62
Total non-current liabilities		**1616.86**	**1101.38**
Current liabilities			
Financial Liabilities			
(i) Borrowings	15	978.68	1084.88
(ia) Lease Liabilities		9.70	8.03
(ii) Trade payables	18		
Outstanding dues to Micro and Small enterprises		.00	.00
Outstanding dues to parties other than Micro and Small enterprises		2742.10	2489.61
(iii) Other financial liabilities	16	149.92	135.02
Provisions	17	88.47	87.18
Other current liabilities	19	208.13	114.04
Current Tax Liability Net	11	126.37	105.64
Total Current Liabilities		**4303.37**	**4024.40**
Total liabilities		**5920.23**	**5125.78**
Total Equity & Liabilities		**11283.12**	**9308.17**

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)

Partner Adrish Roy
(Membership no. 055826)

JSUS & ASSOCIATES Chartered Accountants

Place: Kolkata
Date: 15/05/2023

For and on behalf of the Board

Suraj Ratan Mundhra
Managing Director
DIN-00681223

Mukesh Mundhra
Director
DIN-00658602

Navneet Bagri
Chief Financial Officer

Subhankar Paul
Company Secretary
Membership No.- A63772

ARCL Organics Ltd.

Statement of Profit and loss as on 31st March 2023

(₹ in Lakhs)

Particulers	Notes	for the Year Ended 31.03.2023	for the Year Ended 31.03.2022
I. Revenue from operations	20	16505.92	14126.34
II. Other income	21	343.36	238.36
III. Total Revenue (I + II)		**16849.27**	**14364.70**
IV. Expenses:			
Cost of materials consumed	22	12145.42	10766.30
Changes in inventories of work-in-progress, stock-in-trade and finished goods	23	-149.94	-441.17
Employee benefit expense	24	952.19	785.01
Finance costs	25	193.88	151.19
Depreciation and amortisation expense	2	266.66	143.30
Other expenses	26	1761.00	1480.24
Total expenses		**15169.21**	**12884.88**
V. Profit before tax (III - IV)		1680.06	1479.82
Income tax expenses			
- Current tax		334.46	422.46
- Deferred tax		167.97	9.16
Total tax expense		502.43	431.62
Profit after tax		1177.63	1048.20
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements Gains/(Losses) on Defined Benefit Plan		1.93	-16.18
(b) Gains/(Losses) on fair valuation of Equity Instruments		.94	.62
Other comprehensive income for the year, net of tax		2.87	-15.56
Total comprehensive income for the year		1180.50	1032.64
Earnings per equity share attributable to owners of ARCL Organics Limited:			
Basic earnings per share		14.72	13.10
Diluted earnings per share		14.72	13.10
Summary of Significant Accounting Policies	1		
Additional notes to financial statements	27- 43		

In terms of our report of even date

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

JSUS & ASSOCIATES Chartered Accountants

Partner Adrish Roy
(Membership no. 055826)

Place: Kolkata
Date: 15/05/2023

For and on behalf of the Board

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Managing Director
DIN-00681223

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Navneet Bagri
Chief Financial Officer

Subhankar Paul
Company Secretary
Membership No.- A63772

ARCL ORGANICS LTD

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

		For the year ended 31st March, 2023		For the year ended 31st March, 2022	
A.	**Cash Flow from Operating Activities**				
	Net profit before tax as per Statement of Profit and Loss		1680.06		1479.82
	Adjustments for :				
	Depreciation on Tangible Assets	266.66		143.30	
	Interest Income	-42.77		-73.88	
	Interest Expense	171.34		81.48	
	Acturial Gain /loss transfeed to OCI	2.87		-15.56	
			398.10		135.34
	Operating Profit Before Working Capital Changes		2078.16		1615.16
	Increase / (Decrease) in Trade Payables	252.48		1107.53	
	Increase / (Decrease) in Other Current Liabilities	94.08		-29.47	
	Increase / (Decrease) in Short Term Provisions	1.29		23.19	
	Increase / (Decrease) in Long Term Provisions	11.64		18.11	
	Increase / (Decrease) in Other Current financial Liabilities	14.90		10.26	
	Increase / (Decrease) in Other Non Current financial Liabilities	-200.00		-100.00	
	(Increase) / Decrease in Other Bank balances	37.86		-100.64	
	(Increase) / Decrease in Trade receivables	-36.89		-866.60	
	(Increase) / Decrease in Inventories	-35.20		-593.45	
	(Increase) / Decrease in Loans and Advances	-133.40		-3.10	
	(Increase) / Decrease in Other Current Assets	148.44		-864.32	
	(Increase) / Decrease in Other Current Financial Assets	.02		-4.52	
	(Increase) / Decrease in Other Non Current financial Assets	-32.80		-2.04	
	(Increase) / Decrease in Long Term Loans & Advances	.00	122.43	.00	-1405.05
	Cash generated from operations		2200.58		210.11
	Taxes paid (Net of refunds)		150.00		200.00
	Net cash Generated/(used) from operating activities (A)		2050.58		10.11
B.	**Cash Flow from Investing Activities**				
	Purchase of fixed assets	-2217.63		-791.81	
	Disposal of Fixed Assets	.00		12.74	
	Investments in Subsidiaries	-.94		-.62	
	Interest Received	42.77		73.88	
	Net cash from investing activities (B)		**-2175.80**		**-705.80**
C.	**Cash flow From Financing Activities**				
[	Proceeds from short - term borrowings	-104.52		370.37	
	Proceeds/(Repayment) from long - term borrowings	535.88		277.87	
	Interest Paid	-171.34	260.02	-81.48	566.76
	Net cash used for financing activities (C)		**260.02**		**566.76**
	Net Increase/(decrease in cash and cash equivalents (A+B+C)		**134.80**		**-128.93**
	Cash and Cash equivalent at the beginning of the year		8.56		137.50
	Cash and Cash equivalent at the end of the year		143.37		8.56
	Changes in Cash and Cash Equivalents - Increase/(Decrease)		**-134.80**		**128.93**

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

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

Partner Adrish Roy
(Membership no. 055826)

Place: Kolkata
Date: 15/05/2023

JSUS & ASSOCIATES Chartered Accountants

Suraj Ratan Mundhra
Managing Director
DIN-00681223

Mukesh Mundhra
Director
DIN-00658602

Navneet Bagri
Chief Financial Officer

Subhankar Paul
Company Secretary
Membership No.- A63772

ARCL ORGANICS LIMITED

Statement of Changes in Equity for the year ended 31 March 2023

A. Equity Share Capital

	Notes	(₹ in Lakhs)
As at 1 April 2021		800.00
Changes in equity share capital		
As at 31 March 2022	13	800.00
Changes in equity share capital		
As at 31 March 2023		800.00

B. Other Equity

(₹ in Lakhs)

	Notes	Securities Premium Reserve	Retained earnings	Other Comprehensive Income		Total other equity
				Remeasurements of the defined benefit plans	Fair valuation of Equity Instrument	
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			1048.20	-16.18	.62	1032.64
	14					
Balance at 31 March 2022		1122.50	2324.63	-63.72	-1.01	3382.40
Profit for the year			1177.63			1177.63
Other comprehensive income				1.93	.94	2.87
Total comprehensive income for the year		.00	1177.63	1.93	.94	1180.50
Balance at 31 March 2023		1122.50	3502.26	-61.80	-.07	4562.90

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

JSUS & ASSOCIATES Chartered Accountants

Partner Adrish Roy
(Membership no. 055826)

Place: Kolkata
Date: 15/05/2023

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	1.52	1.63	-6.62	
2	**Debt-Equity Ratio,**	Total debt	Equity	0.38	0.38	-0.18	New Loan taken from NBFC's
3	**Debt Service Coverage Ratio,**	Profit before Interest, Depreciation, Tax and Exceptional Items	Interest + Short TermDebt	12.3618	20.9193	-40.91	Repayment of Loans & Increase in profit
4	**Return on Equity Ratio(%age)**	Net Profit after tax	Equity	147%	131%	12.35	Increasing of Profit
5	**Inventory turnover ratio,**	Turnover	(Op inventory+Cl inventory)/2	19.21	25.06	-23.34	
6	**Trade Receivables turnover ratio,**	Revenue from Operation + Other Operation Income	(Op trade receivable +Cl trade receivable payable)/2	5.31	5.95	-10.68	
7	**Trade payables turnover ratio,**	Total Purchases	(Op trade payable +Cl trade payable)/2	4.64	6.73	-31.13	
8	**Net capital turnover ratio,**	Revenue From Operation + Other Operating Income	Networth	.00	0.35	-11.46	
9	**Net profit ratio (%age)**	Net Profit After Tax before Exceptional Items	(Revenue From Operation + Other Operating Income	.00	7.3%	-4.22	
10	**Return on Capital employed (%age)**	Profit before Interest, tax	Share capital+reserve +long term borrowing	.00	33%	-13.43	
11	**Return on investment.(%age)**	Net return on investment	Cost of investment	NA	NA		

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Chartered Accountants

ARCL ORGANICS LIMITED

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 Activities	2022-23	2021-22
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%

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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. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with

JSUS & ASSOCIATES Chartered Accountants

the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

3. Use of estimates

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

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

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

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets

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

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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.

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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.

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11. Financial Instruments

Financial Asset Initial Recognition

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

Subsequent Measurement

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

Financial Asset at Fair value through Profit or Loss

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

Financial Asset measured at Amortized Cost

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

Financial Asset at Fair value through OCI

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

Financial Asset Derecognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. Upon derecognition of equity instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

Financial Liabilities – Initial recognition and measurement

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

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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 atleast 12 months after the reporting period. Borrowings are removed from the balance sheet when the obligations is discharged, cancelled or expired.

JSUS & ASSOCIATES Chartered Accountants

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.

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16. Employee benefits

The present value of the defined benefit obligations depends on a number of factors that are determined on a n 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.

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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

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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.

25. Recent Pronouncement

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

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Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemptions so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as follows:

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NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023

Note 2 Property, Plant and Equipment and Capital work-in progress.

(₹ in Lakhs)

	Closing gross carrying amount as on 01.04.2022	Additions	Disposals	Closing gross carrying amount as on 31.03.2023	Closing accumulated depreciation as on 01.04.2022	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2023	Net carrying amount as at 31 March 2023
Freehold Land	485.36		.00	485.36	.00	.00		.00	485.36
Buildings	214.46	158.81	.00	373.27	57.83	11.90		69.73	303.55
Office Building	2.87	.00	.00	2.87	.22	.05		.27	2.60
Furniture and Fixtures	67.07	21.63	.00	88.70	18.92	6.33		25.25	63.46
Car	152.91	.00	.00	152.91	30.27	26.98	.00	57.25	95.66
Tanker	156.80	225.06	.00	381.86	80.25	44.96		125.21	256.65
Electric Installation	38.34	44.11	.00	82.46	4.38	5.65		10.03	72.43
Air Conditioner	5.18	4.62	.00	9.81	2.43	1.54		3.96	5.84
Computer	24.03	5.97	.00	30.01	13.68	4.44		18.12	11.89
Software	1.12	56.80	.00	57.92	.40	8.73		9.13	48.79
Office Equipments	7.91	8.87	.00	16.78	3.49	1.81		5.30	11.47
Plant & Machinery	2018.33	1665.50	.00	3683.83	457.00	139.76		596.76	3087.07
R&D Equipment	63.45	26.24	.00	89.69	1.51	4.89		6.40	83.29
Total	3237.83	2217.63	.00	5455.46	670.38	257.03	.00	927.41	4528.05
Ind-As116	38.69	.00	.00	38.69	11.86	9.63		21.49	17.20
Total	3276.53	2217.63	.00	5494.15	682.24	266.66	.00	948.90	4545.25

	Gross carrying amount as on 1st April,2021	Additions	Disposals	Closing gross carrying amount as on 31.03.2022	Accumulated depreciation as at 1st April 2021	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2022	Net carrying amount as at 31 March 2022
Freehold Land	485.36		.00	485.36	.00	.00		.00	485.36
Buildings	196.87	17.59	.00	214.46	48.65	9.18		57.83	156.63
Office Building	2.70	.18	.00	2.87	.18	.05		.22	2.65
Furniture and Fixtures	56.13	10.94	.00	67.07	13.61	5.31		18.92	48.15
Car	70.09	82.82	.00	152.91	15.11	15.16	.00	30.27	122.64
Tanker	156.80	.00	.00	156.80	65.64	14.62		80.25	76.55
Electric Installation	10.15	28.19	.00	38.34	2.11	2.27		4.38	33.97
Air Conditioner	3.74	1.44	.00	5.18	1.78	.65		2.43	2.75
Computer	19.57	4.47	.00	24.03	10.16	3.52		13.68	10.35
Software	1.12	.00	.00	1.12	.22	.18		.40	.72
Office Equipments	6.71	1.20	.00	7.91	2.42	1.07		3.49	4.41
Plant & Machinery	1458.48	586.40	26.56	2018.33	371.34	85.66		457.00	1561.33
R&D Equipment	1.56	61.89	.00	63.45	.07	1.44		1.51	61.93
Total	2469.26	795.13	26.56	3237.83	531.28	139.10	.00	670.38	2567.45
Ind-As116	28.19	23.24	12.74	38.69	7.66	4.20		11.86	26.83
Total	2497.45	818.37	39.29	3276.53	538.94	143.30	.00	682.24	2594.28

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Note 3 Investments

(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Non - Current Investments		
Investment in Equity Instruments		
(A) Investment in Subsidiaries - Unquoted (at Cost)		
(i) ARCL Petrochemicals Ltd 194338 shares (31/03/2022- 194338) shares of Rs. 10 each	19.56	19.56
(ii) Ocilim Advisory Services Pvt Ltd 154343 shares (31/03/2022- 154343) shares of Rs. 10 each	15.14	15.14
(iii) Wide Range Merchants Pvt Ltd 216843 shares (31/03/2022- 216843) shares of Rs. 10 each	20.45	20.45
(iv) Allied Maritime & Infra Engineering Pvt Ltd 194343 shares (31/03/2022- 194343) shares of Rs. 10 each	20.80	20.80
(v) Nocnex Chemicals Pvt Ltd 154343 shares (31/03/2022- 154343) shares of Rs. 10 each	15.43	15.43
(vi)Yocnex Chemicals Pvt Ltd 154343 shares (31/03/2022- 154343) shares of Rs. 10 each	15.43	15.43
(vii) Suksess Chemicals Pvt Ltd 154343 shares (31/03/2022- 154343) 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 (31/03/2022- 1640)	2.77	1.83
	2.77	1.83
Total (A+B)	**125.03**	**124.09**

Note 4 Other financial Assets

Particulars	As at 31st March 2023	As at 31st March 2022
Non Current		
Security Deposit with CESC	67.43	34.62
Total	**67.43**	**34.62**
Current		
Security Deposits	7.31	7.33
Total	**7.31**	**7.33**

Note 5 Deferred tax Liability (net)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Tax Assets:		
Timing difference on account of:		
Defined benefit obligations	79.25	79.58
Deferred Tax Assets (A)	**79.25**	**79.58**
Less : Deferred Tax Liabilities		
Timing difference on account of:		
Property, plant and equipment	-411.84	-244.20
Deferred Tax Liabilities (B)	**-411.84**	**-244.20**
Deferred Tax Asset (Net)	**-332.59**	**-164.62**

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

Particulars	As at 31st March 2023	As at 31st March 2022
Raw Materials	158.67	178.87
Finished goods	934.28	784.34
Stores and spares	162.44	256.98
Total	1255.39	1220.19

* As taken, valued and certified by the management

Note Trade Receivables

Particulars	As at 31st March 2023	As at 31st March 2022
Considered Good- Unsecured	3191.39	3154.50
Total	3191.39	3154.50

Particulars	Outstanding for following periods from due date of payment#					2023
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	2724.84	19.79	58.70	67.80	320.25	3191.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good						
(v) Disputed Trade Receivables – which have significant increase in credit risk						
(vi) Disputed Trade Receivables – credit impaired						

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						

Ageing is considered from the date of transaction

Note 8 Cash and Cash Equivalents

Particulars	As at 31st March 2023	As at 31st March 2022
(a) Balances with banks		
(i) In Current Account	138.00	2.57
(b) Cash on hand	5.37	5.99
Total Cash and Cash Equivalents	143.37	8.56

Note 9 Other Bank Balances

Particulars	As at 31st March 2023	As at 31st March 2022
Earmarked Balances		
-Margin Money	168.17	229.49
Other Deposit Account	522.16	498.71
-Deposit accounts with maturuty beyond three months upto twelve months		
Total	690.33	728.20

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Note 10 Loans

Particulars	As at 31st March 2023	As at 31st March 2022
Non Current		
Loan to Others	.00	.00
Total	**.00**	**.00**
Current		
Loan to Others	188.69	55.29
Loan to Related Party	.00	.00
Total	**188.69**	**55.29**

Note 11 Current Tax Assets

Particulars	As at 31st March 2023	As at 31st March 2022
Non Current		
Advance tax including TDS & MAT Credit	340.93	329.85
Less: Prov. For Income Tax	-467.30	-435.50
Total	**-126.37**	**-105.64**

Note 12 Other Current Assets

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Advances other than Capital Advances		
Advance to Creditors	250.88	831.98
Other Receivables	42.98	34.87
Paid for NCLT purchase of RCHEM Pvt Ltd. (Ref: Note - 40B)	301.25	35.13
	595.11	901.97
(ii) Others		
CENVAT/ Service Tax/ Sales Tax recoverable	98.53	98.53
GST Input (net of Output)	375.31	380.62
	473.84	479.14
Total	**1068.94**	**1381.11**

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ARCL Organics Ltd.

NOTE TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023

Note 13 Share Capital

(₹ in Lakhs)

	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount(₹)	Number	Amount(₹)
Authorised				
Equity shares of Rs.10 each	3,37,50,000	3375.00	3,37,50,000	3375.00
		3375.00		**3375.00**
Issued, Subscribed & Paid up				
Equity shares of Rs.10 each	80,00,000	800.00	80.00	800.00
		800.00		**800.00**

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

Name of Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SUSHILA DEVI MUNDHRA	10,31,175	12.89	10.31	.00
SURAJ RATAN MUNDHRA	7,91,627	9.90	7.92	.00
SURAJ RATAN MUNDHRA HUF	6,70,005	8.38	6.70	.00
ARC HOLDINGS LTD	12,23,380	15.29	12.23	.00
MUKESH MUNDHRA	7,00,759	8.76	7.01	.00

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

Promoters Share Holding

Name of Promoter	As at 31st March, 2023		% Change during the year	As at 31st March, 2022	
	No. of Shares held	% of Holding		No. of Shares held	% of Holding
Sushila Devi Mundhra	1031175	12.89	Nil	10.31	12.89
Suraj Ratan Mundhra	791627	9.90	Nil	7.92	9.90
Mukesh Mundhra	700759	8.76	Nil	7.01	8.76
Rajesh Mundhra	345840	4.32	Nil	3.46	4.32
Suraj Ratan Mundhra HUF	670005	8.38	Nil	6.70	8.38
Kapila Mundhra	292331	3.65	Nil	292331	3.65
Vasundhra Mundhra	308047	3.85	Nil	3.08	3.85
Ajay Kumar Mimani	37040	0.46	Nil	.37	0.46
Arc Holdings Limited	1223380	15.29	Nil	1223380	15.29
Pbc Carriers Private Limited	137166	1.71	Nil	1.37	1.71

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

EQUITY SHARES

	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount(₹)	Number	Amount(₹)
At the beginning of the period	80,00,000	800.00	80,00,000	800.00
Issued during the period	-	.00	-	.00
Outstanding at the end of the period	**80,00,000**	**800.00**	**80,00,000**	**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.

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Note 14 Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
General Reserve	.00	.00
Securities Premium Reserve	1122.50	1122.50
Retained earnings	3502.26	2324.63
Other comprehensive income	-61.86	-64.73
Total	**4562.90**	**3382.40**

Note 15 Borrowings

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non - Current		
Secured		
Vehicle loan from Bank (Hypothecation of Vehicle) [1]	223.82	82.30
	223.82	82.30
Unsecured		
Loan from Body Coporate	315.08	234.88
Loan from Others	179.80	124.65
Loan from Other Bank	315.54	46.00
	810.42	405.53
Total	**1034.25**	**487.83**
Current		
Secured		
Other loans from banks		
Fund Based - Cash Credit [2]		
(i) Bank of Baroda	453.50	465.57
(ii) Central Bank of India (CBI)	82.41	74.22
Curent Maturity of Long term Debt	94.43	65.23
Unsecured		
Loan from NBFC	156.83	226.96
Loan from Other Bank	191.52	252.89
Total	**978.68**	**1084.88**

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

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

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

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

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

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

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

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

[2] Secured by 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.

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Note 16 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non - Current		
Advance against Development	.00	200.00
	.00	**200.00**
Current		
Sundry liabilities for expense	149.92	135.02
	149.92	**135.02**
Total	**149.92**	**335.02**

Note 17 Provisions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non - Current		
Provision for Employee Benefits		
(a) Provision for Leave Encashment	30.76	29.16
(b) Provision for Gratuity	210.04	200.00
Total	**240.80**	**229.16**
Current		
(a) Provision for Employee Benefits	57.11	43.06
(b) Provision for Gratuity	26.08	38.67
(c) Provision for Leave Encashment	5.27	5.45
Total	**88.47**	**87.18**

Note 18 Trade Payables

Particulars	As at 31st March, 2023	As at 31st March, 2022
Outstanding dues to Micro and Small enterprises	-	-
Outstanding dues to parties other than Micro and Small enterprises	2742.10	2489.61
*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.		
Total	**2742.10**	**2489.61**

Particulars	Outstanding for following periods from the due date of payment#				For 2022-23
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0	0	0	0	0
(ii) Others	2712.96	9.84	4.79	14.51	2742.10
(iii) Disputed dues – MSME					

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	0	0	0	0	0
(ii) Others	2472.50	2.02	4.06	11.03	2489.61
(iii) Disputed dues – MSME					

 # Ageing is considered from the date of transaction

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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	-	-
of the payment made to the supplier beyond the appointed day during each accounting year	0	0
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	0	0
d. The amount of interest accrued and remaining unpaid at the end of accounting year	0	0
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.	0	0

Note 19 Other Current liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory Liabilities	31.02	45.92
Advance From Customer	177.11	68.12
Total	**208.13**	**114.04**

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ARCL ORGANICS LTD

Notes to the financial statements for the year ended 31st March 2023

Note 20 Revenue from Operations

(₹ in Lakhs)

	As at 31.03.2023	As at 31.03.2022
Sale of products (including excise duty)		
Domestic Sales	9165.72	8373.48
Export Sales	7250.64	5666.89
	16416.36	14040.37
Other Operating revenues		
Duty Drawback	36.78	14.61
Export Incentive	52.77	71.35
	89.56	85.97
Total revenue from continuing operations	**16505.92**	**14126.34**

Note 21 Other Income

	As at 31.03.2023	As at 31.03.2022
Interest Income		
Bank Interest Received	40.55	71.67
Interest Received from Others	2.22	2.22
	42.77	73.88
Other non-operating income		
Others	300.59	164.48
	300.59	164.48
Other Income	**343.36**	**238.36**

Note 22 Cost of Raw Materials & Component Consumed

	As at 31.03.2023	As at 31.03.2022
Inventory at the beginning of the year	178.87	93.37
Add:- Purchases	12125.22	10851.80
	12304.09	10945.17
Less:- Inventory at the end of year	158.67	178.87
Cost of Raw Materials Consumed	**12145.42**	**10766.30**

Note 23 (Increase)/Decrease in Inventory

	As at 31.03.2023	As at 31.03.2022
Inventories at the end of the Year		
Finished goods	934.28	784.34
	934.28	784.34
Inventories at the begining of the Year		
Finished goods	784.34	343.17
	784.34	343.17
(Increase)/Decrease In Inventory	**-149.94**	**-441.17**

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Note 24 Employee Benefit Expenses

	As at 31.03.2023	As at 31.03.2022
(a) Salaries,Wages and Incentives	782.13	662.51
(b) Contribution to Provident and Other funds	66.93	62.06
(c) Staff Welfare Expenses	103.13	60.44
Total	**952.19**	**785.01**

Note 25 Finance Cost

	As at 31.03.2023	As at 31.03.2022
Interest Expense	171.34	81.48
Other Borrowing Cost	22.54	69.71
Total	**193.88**	**151.19**

Note 26 Other Expenses

	As at 31.03.2023	As at 31.03.2022
Rent	20.90	20.64
Carriage Outward	207.03	176.38
Research & Development	141.11	84.16
Travelling & Conveyance	105.14	83.77
Repairs & Maintenance		
- Machinery	78.01	98.43
-TRUCK & TANKER	30.24	9.46
Telephone & Postage Expenses	10.63	10.38
Insurance Expenses	11.02	10.23
Filing fees, Rates & Taxes	31.72	55.13
Payment to Auditors		
- Statutory Audit Fees	3.25	3.25
- Tax Audit Fees	.25	.25
- Other Matter	.00	.00
Legal & Consultancy Charges	99.51	79.17
TRUCK & TANKER INSURANCE & OTHER TAX	81.27	28.00
Subscription & Donation	60.84	36.39
Miscelleneous Expenses	173.99	137.55
Export Expenses	653.38	616.47
Import Expenses	7.07	8.05
Loading & Unloading Expenses	45.65	22.41
Write Off	.00	.12
Total	**1761.00**	**1480.24**

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Notes to Standalone Financial Statements for the year ended 31st March, 2023

Note 27 - Earnings per Share

(₹ in Lakhs)

		2022-23	2021-22
a)	Net profit attributable to the shareholders (PAT)	11,77,63,314	10,48,19,778
b)	Weighted average no. of equity share of face value of ` 10/- each	80,00,000	80,00,000
	Basic earnings per share	14.72	13.10
c)	Weighted average potential no. of equity shares	80,00,000	80,00,000
	Diluted earnings per share	14.72	13.10

Note 28 - Income tax Reconciliation

(₹ in Lakhs)

Reconciliation of Accounting profit and tax expense	2022-23	2021-22
Profit before tax	1680.06	1479.82
Tax at the Indian tax rate of 29.12% (previous year - 29.12%)	489.23	430.92
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Companies Act Depreciation	77.65	41.73
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Income Tax Act Depreciation	241.24	53.86
Tax effect of other adjustments	-8.81	-3.66
Impact of Unabsorved Dedpreciation	.00	.00
MAT Impact		
Income Tax Recognized in Profit & Loss account (MAT)	**334.46**	**422.46**

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	
	2022-23	2021-22	2022-23	2021-22
Key Management Personnel	105.29	105.29	Nil	Nil
Relative of KMP	Nil	Nil	Nil	Nil
Closing Balance	8.82	8.48	Nil	Nil

(ii) **Subsidiary Companies**

(a) (Ownership Interest – 100%)

(b) Nature of Transaction

(₹ in Lakhs)

	Loan Given		Loan Taken	
Subsidiary Company	2022-23	2021-22	2022-23	2021-22
Allied Maritime & Infra Engineering Private Ltd	113.64	.96	95.10	19.45
ARCL Petrochemicals Limited	126.15	3.69	104.00	25.84
Ocilim Advisory Services Private Ltd.	142.10	1.83	124.50	19.43
Wide Range Merchants Private Ltd.	121.64	1.87	104.10	19.41
Nocnex Chemicals Private Ltd.	153.49	52.35	135.10	70.74
Yocnex Chemicals Private Ltd.	152.26	42.62	125.00	69.89
Suksess Chemicals Private Ltd.	127.39	320.39	110.00	337.78
TOTAL	936.67	423.71	797.80	562.53

(c) **Closing Balance**

Amount in ₹

Particulars	2022-23	2021-22
Loans Given	936.67	423.71
Interest Receivable	.00	.00
Loans Taken	1360.33	562.53
Interest Payable		15.29

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Note 30 - Employee Benefits:

a) **Present Value of Obligations for Defined Benefits:** **(₹ in Lakhs)**

	Leave Encashment 2022-23	Leave Encashment 2021-22	Gratuity (Funded) 2022-23	Gratuity (Funded) 2021-22
As at the beginning of the year	34.60	29.81	238.67	204.07
Current Service Cost	4.00	3.22	12.32	11.95
Interest Cost	2.42	2.09	16.71	14.28
Actuarial (Gains)/Losses	.13	1.63	-2.06	14.55
Benefits paid	-5.13	-2.13	-29.51	-6.19
As at the end of year	36.03	34.60	236.12	238.67

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

	LeaveEncashment 2022-23	Leave Encashment 2021-22	Gratuity (Funded) 2022-23	Gratuity (Funded) 2021-22
As at the beginning of the year		.00		.00
Expected return on plan assets		.00		.00
Contribution by Employer	5.13	2.13	29.51	6.19
(Benefits Paid)	-5.13	-2.13	-29.51	-6.19
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:**

	LeaveEncashment 2022-23	Leave Encashment 2021-22	Gratuity (Funded) 2022-23	Gratuity (Funded) 2021-22
Present Value of Obligation at the end of the year	36.03	34.60	236.12	238.67
Fair value of plan assets at the end of the year	.00	.00	.00	.00
Net Asset / (Liability) recognized in the Balance Sheet	36.03	34.60	236.12	238.67

d) **Actuarial Assumptions**

Discount rate per annum compound	7.25%	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 defined benefit obligation are the 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 the Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below.

(₹ in Lakhs)

Particulars	**2022-23 (Leave Encashment)**		**2022-23 (Gratuity)**	
	Decrease	**Increase**	**Decrease**	**Increase**
Defined Benefit Obligation (Base)	36.03		236.12	
Discount rate (-/+ 1%)	38.29	34.03	248.29	225.03
% change compared to base due to sensitivity	6%	6%	5%	5%
Salary Growth Rate (- / + 1%)	33.98	38.32	224.70	248.43
% change compared to base due to sensitivity	6%	6%	.00	5%
Withdrawal Rates (- / + 50%)	35.70	36.33	234.96	237.19
% 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)**

	2022-23	**2021-22**
Travelling	12.41	5.42
Professional for R & D Expenses	5.32	NIL
Commission	NIL	NIL
Business Development Expenses	6.91	6.21

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Note 33 - **Earnings in Foreign Currency** (₹ in Lakhs)

	2022-23	2021-22
Value of Exports on FOB basis	7250.64	5666.89
Brokerage and Commission received	NIL	NIL

Note 34 - **CIF Value of imports** (₹ in Lakhs)

	2022-23	2021-22
Raw Materials	450.64	405.49

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

b) Capital and other commitments: Rs. Nil (Previous Year - Rs. Nil)

Note 36 - **Capital Management**

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

Note 37

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

Since SASF has failed to issue NOC as stipulated in the scheme, the company has filed a petition before the Hon'ble Calcutta High Court on the 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	2022-23	2021-22
Debt	2012.93	1572.71
Cash and Bank balance	143.37	8.56
Net Debt	1869.56	1564.15
Total Equity	5362.90	4182.40
Net debt to Equity ratio/ Gearing Ratio	0.35	0.37

Note 39 **Disclouser 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, 2023, March 31, 2022

(₹ in Lakhs)

Financial Assets Measured at Amortized Cost	Current		Non Current	
	2022-23	2021-22	2022-23	2021-22
Trade receivables	3191.39	3154.50	.00	.00
Cash and cash equivalents	143.37	8.56	.00	.00
Other Bank Balances	690.33	728.20	.00	.00
Loans	188.69	55.29	.00	.00
Other Financial Assets	7.31	7.33	67.43	34.62
Measured at fair value through OCI				
Investments	.00	.00	125.03	124.09
Total Financial Assets	4221.09	3953.88	192.45	158.71
Financial Liabilities at Amortized Cost				
	Current		Non-Current	
	2022-23	2021-22	2022-23	2021-22
Borrowings	978.68	1084.88	1034.25	487.83
Lease Liabilities	9.70	8.03	9.23	19.76
Trade payables	2742.10	2489.61	.00	.00
Other financial liabilities	149.92	135.02	.00	200.00
Total Financial Liabilities	3880.40	3717.54	1043.48	707.60

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Note-40A Balance confirmations are matched in respect of trade receivables and trade payables. In the opinion of the management, it is unlikely that there will be any major reconciliation difference with material impact on the carrying amounts of these assets and liabilities as

Note-40B As per NCLT Order, we purchased RCHEM Industries Pvt. Ltd. In consideration of Rs 3,01,25,000/- but the shares of the Company have not been transferred in the name of ARCL Organics Ltd as on 31/03/2023. So that the M/s RCHEM Industries Pvt. Ltd. is not considered a Subsidiary Company of ARCL Organics Ltd. In this regards the transferred value is shown under Other Current Assets in Note no.-12.

Note -41 **Finacial Risk Management**

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

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

a. **Credit Risk**

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

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	2022-23	2021-22
Less than six months	2724.84	2690.18
More than six months	466.55	464.33

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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

(i). Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(ii). No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder and company has not been declared as willful defaulter by and bank or institution or other lender.

(iii). To the best of the information available, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

(iv). The Company does not have a policy of closing its books on a quarterly basis and preparing quarterly financials

(v). Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise)
that the Company shall directly or indirectly lend or invest in other persons or entities indentified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

vii) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds)
by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf
of the Ultimate Beneficiaries;

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