



ARCL

Adhesives, Resins & Chemicals



33RD

ANNUAL REPORT

2024-25

ARCL ORGANICS LIMITED

**ANSWERING INDUSTRY
CHALLENGES WITH INNOVATION**



BOARD OF DIRECTORS

Mr. Suraj Ratan Mundhra
Chairman & Managing Director

Mr. Rajesh Mundhra
Executive Director

Mr. Mukesh Mundhra
Executive Director

Mr. Brij Mohan Mohta
Non-Executive –
Independent Director

Mrs. Stuti Pithisaria
Non-Executive –
Independent Director

Mr. Prateek Chaudhary
Non-Executive –
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Navneet Bagri

STATUTORY AUDITOR

LB Jha & Co
Chartered Accountants

COMPANY SECRETARY

Mr. Subhankar Paul

SECRETARIAL AUDITOR

KSN & Co
Practicing Company Secretaries

AUDIT COMMITTEE

Mr. Suraj Ratan Mundhra
Executive Director

Mrs. Stuti Pithisaria
Non – Executive – Independent Director

Mr. Prateek Chaudhary
Non-Executive – Independent Director

Mr. Brij Mohan Mohta
Non-Executive – Independent Director

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Brij Mohan Mohta
Non-Executive –
Independent Director

Mrs. Stuti Pithisaria
Non-Executive –
Independent Director

Mr. Prateek Chaudhary
Non-Executive –
Independent Director

INTERNAL AUDITOR

MIB & Co
Chartered Accountants

REGISTRAR

Link Intime India Private Limited

NOMINATION AND REMUNERATION COMMITTEE

Mr. Brij Mohan Mohta
Non-Executive –
Independent Director

Mrs. Stuti Pithisaria
Non-Executive –
Independent Director

Mr. Prateek Chaudhary
Non-Executive –
Independent Director

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Brij Mohan Mohta
Non-Executive –
Independent Director

Mrs. Stuti Pithisaria
Non-Executive –
Independent Director

Mr. Prateek Chaudhary
Non-Executive –
Independent Director

REGISTERED & FACTORY ADDRESS

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

COST AUDITOR

Amit Khetan & Co
Cost Accountant

SOLICITORS

Biswal & Co
Sandip Dutta & Co

Dear Esteemed Shareholders,

It is my honour and privilege to welcome you all to the **33rd Annual General Meeting** of your Company and to present the Annual Report for the financial year **2024–25**.

I am delighted to inform you that this has been a **transformational year** for your Company. We have successfully **crossed a turnover of ₹250 Crores**, a landmark achievement in our growth journey. Adding to this success, the **book value per share has touched an all-time high of ₹96**, reflecting strong financial performance and enhanced shareholder value.

Following the listing of the Company's shares on **29th September 2023**, which was a milestone achieved in the previous year, this year saw **increased market visibility, liquidity, and wider investor participation**, further strengthening our corporate governance and market reputation.

Building on the momentum from last year, I am pleased to share that our **methanol import operations at Calcutta Port**—resumed after a decade—have now been fully stabilized, resulting in significant cost savings and streamlined logistics. We have successfully imported 9000 tons Methanol parcel perhaps the largest at Calcutta Port.

On the **R&D front**, we have developed many new products for Dairy and Aqua industry. We have already filed a **Patent** for a new product for the feed industry globally increasing milk protein and fat booster. We are holding certificates for successful trials from a dozen of Dairies including **National Dairy Research Institute (NDRI)**.

Structural wood like Wooden Beam, Joist etc, also called Mass Timber namely Gluelam, CLT and LVL are in thing as Building Materials. They are very eco-friendly and carbon neutral compared to steel and cement-concrete and have strong aesthetic appeal. Our Company has successfully developed Resin and Hardener for Gluelam first time in India and got approval internationally.

We continue to prioritize our commitment to **Environmental, Social, and Governance (ESG)** standards. We are continuously improving our systems to meet the stringent environment norms. We are successfully utilising our Lean Hydrogen Gas from our Formaldehyde Plant and many other waste heats and off gases, creating sustainability.

As part of our diversification strategy, our Company is now firmly establishing itself in sectors beyond plywood—such as **automotive components, abrasives, refractories, foundry chemicals, agrochemicals, and construction solutions**. These sectors will be instrumental in driving the next phase of our growth.

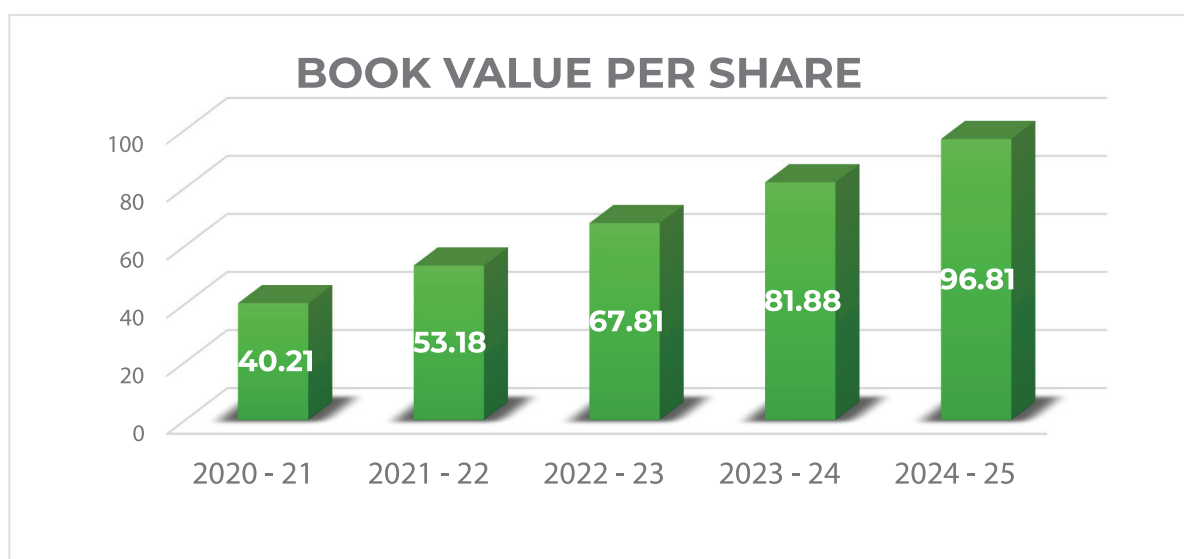
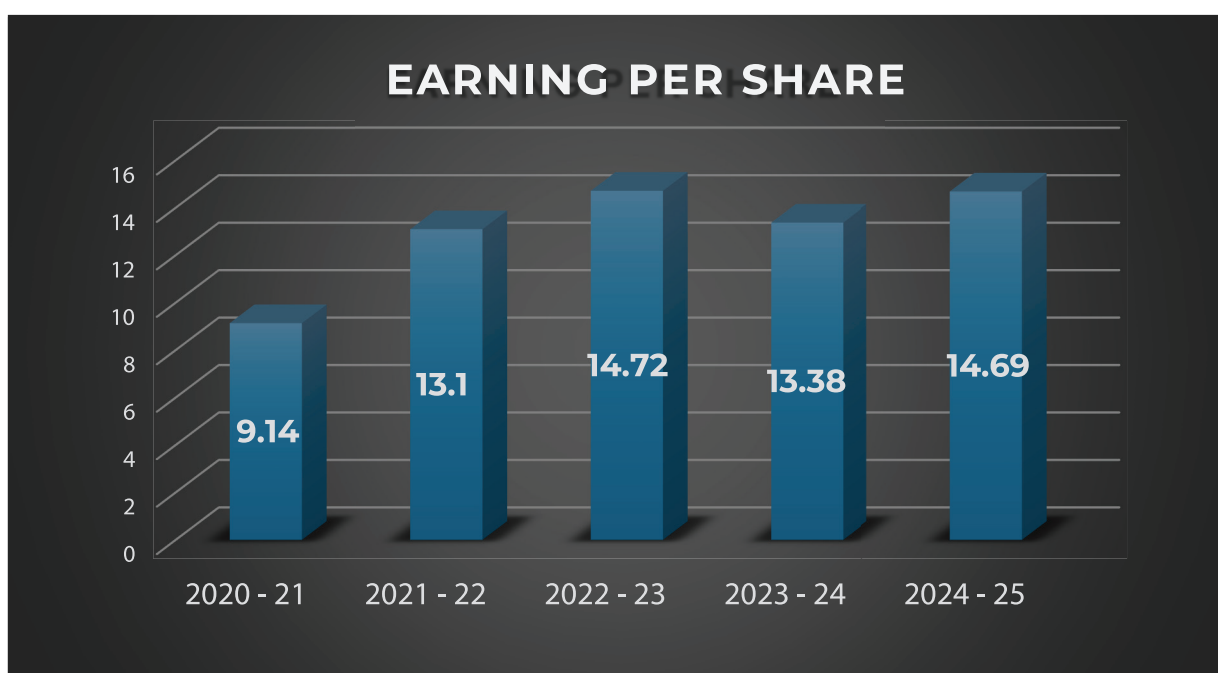
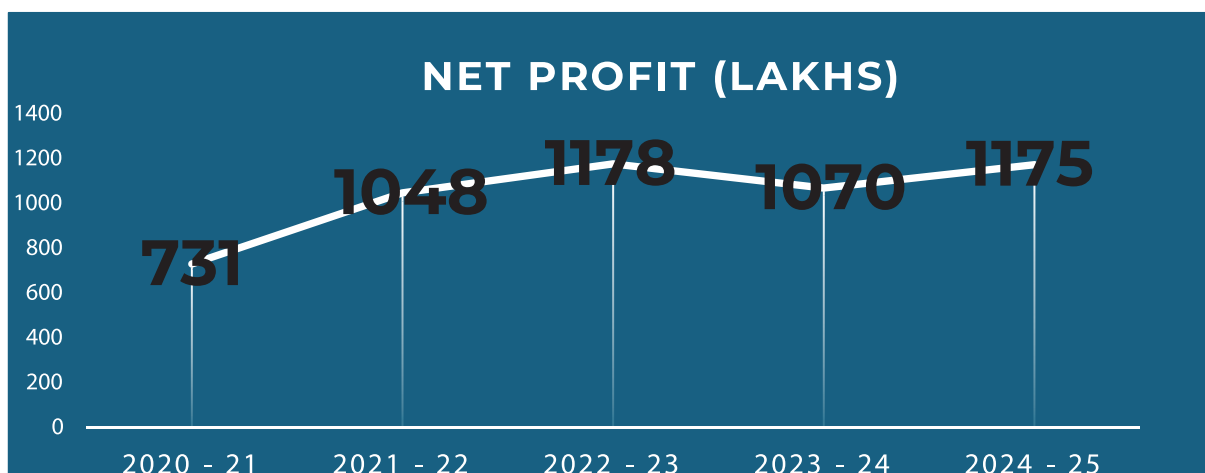
Despite of **geopolitical tensions in Europe, Africa, and the Middle East** the company is continuously increasing its exports. Last year we crossed Rs 80 Cr and this year we hope to cross Rs 100 Cr.

In conclusion, I would like to express my deepest appreciation to our **shareholders, investors, lenders, customers, suppliers, board members, employees, and other stakeholders** for your unwavering support and trust. The future holds immense promise, and I am confident that, together, we will continue to create long-term value and achieve even greater success in the years to come.

EXTRA-ORDINARY PERFORMANCE FOR
THE FINANCIAL YEAR ENDED 2024-25

TURNOVER (Lakhs)





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ARCL ORGANICS LIMITED
CIN: L24121WB1992PLC056562
Regd Office: Rampur, PS Maheshtala, Kolkata – 700 141
Tel No. 033-2401-8042,
E-mail: legal@arcl.in Website: www.arclorganics.com

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 33rd Annual General Meeting (AGM) of the members of ARCL ORGANICS LIMITED will be held on Friday 11th July 2025, at 3:30 PM through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

ITEM NO. 1- Adoption of Financial Statements

To receive, consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2025 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 31st March 2025 and the Report of the Auditors thereon.

ITEM NO. 2- Reappointment of retiring Director

To appoint a director in place of Mr. Rajesh Mundhra (DIN No. 00658649), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

ITEM NO. 3 Ratification of Cost Auditor’s remuneration for the Financial Year 2025 – 2026

To ratify the remuneration of Cost Auditors for the financial year 2025 – 2026 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), the remuneration of Rs. 40,000/- as approved by the Board of Directors to be paid to M/s. Amit Khetan & Co (Firm Registration No. FRN-102559), the cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year 2025 – 2026 be and is hereby ratified.”

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

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

**Regd. Office:
Rampur, PS Maheshtala, Kolkata – 700 141
Date: 13.05.2025**

NOTES:

1. An Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. In view of the Ease of doing business, pursuant to the Circular No. 09/2024 dated 19.09.2024, Circular No. 2/2022 dated May 05, 2022 and Circular No. 10/2022 dated 28.12.2022 and Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (“MCA Circulars”) and all other relevant circulars issued from time to time. The 33rd 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 33rd 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 33rd AGM and financial statements (including Board’s report, Auditor’s report or other documents required to be attached therewith) for FY 2024-25, are being sent only through email to all members on their registered email id with the Company and no physical copy of the same would be dispatched.
4. The Company has engaged the services of Link Intime India Private Limited (“LI IPL”) for providing facility for voting through remote e-voting, participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained below
5. The registered office of the company shall be deemed to be the place of meeting for the purpose of recording of the minutes of the proceedings of this AGM.
6. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Members who have multiple accounts in identical names or joint accounts in the same order are requested to consolidate all such shareholdings into one account to facilitate better service.
9. **Procedure for Registration of email ids and Bank Account details:**

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

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

(i) For shares held in physical mode:

- a) Advise any change in their address or bank mandates to the Company/Company’s Registrar and Transfer Agent, Link Intime India Private Limited. The notification of change of address should be accompanied by the address proof, i.e., voter’s identity card, electric/telephone bill, driving licence or a copy of the passport or bank statement of the member. OR
- b) Log into the website of our RTA, Link Intime India Private Ltd., at www.linkintime.co.in under Investor Services > Email/Bank detail Registration. Fill in the details and upload the required documents and submit.

(ii) For Shares held in Demat mode:

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

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

10. Any member desirous of receiving any information of Financial Statements or operations of the Company is requested to forward his/her queries through email, at least 10 working days prior to AGM, so that required information can be made available at the AGM.
11. The Register of Members and the Share Transfer Books of the Company will remain closed from 04th July, 2025 to 11th July, 2025 (both days inclusive).
12. To support the ‘Green Initiative’, the Members are requested to register their email addresses with the Registrar and Share Transfer Agents of the Company to or mail at kolkata@linkintime.co.in or with the Depositories for receiving all communication, including Annual Report, Notices and Documents through e-mail instead of physical copy.
13. Members who have multiple accounts in identical names or joint accounts in the same order are requested to consolidate all such shareholdings into one account to facilitate better service.
14. Non-resident Indian Members are requested to inform Company’s Registrar and Share Transfer Agent, Link Intime India Private Limited, immediately of a) Change of their residential status on return to India for permanent settlement. b) Particulars of their bank account maintained in India with Complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. Mr. Nand Kishore Sharma, Practicing Company Secretary in practice, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of Insta Vote of LIPL immediately after the declaration of result by the Chairman or a person authorized by him in writing.
16. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
17. Investor Grievance Redressal: Company has an exclusive e-mail id, viz. legal@arcl.in for investors to register their grievances if any.

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

The remote e-voting period commences at 9:00 a.m. (IST) on Tuesday 08th July, 2025 and ends at 5:00 p.m. (IST) on Thursday 10th July, 2025. 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.

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

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

Name of the Director	Rajesh Mundhra (DIN: 00658649)
Age (in years)	54 Years
Qualification	B. Com, MBA (University of Hartford)
Date of First Appointment on Board	26.02.2018
Job profile and his suitability	He is the Executive Director of the Company and looks after the whole of factory operations in the Company.
Expertise in Specific Functional areas	Rajesh Mundhra holds more than 25 years of experience in the Chemical Industry. He has moved through all the departments in the company and is mainly responsible for the production, product development, maintenance, factory administration and marketing functions of the company. He is very closely associated with the Indian Plywood Industry.
Remuneration last drawn	Rs. 4,00,000 per month
Shareholding in the Company	4.32%
Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Mr. Rajesh Mundhra is not related to any of the directors and Key Managerial Personnel other than Mr. Suraj Ratan Mundhra and Mukesh Mundhra.
Directorship held in other Companies with Chairmanship/ Membership in Committee	Three
Chairman/ Member of the Committee in which he is a director apart from this Company	NIL

**EXPLANATORY STATEMENT IN RESPECT OF ITEMS OF SPECIAL BUSINESS
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**
ITEM NO. 3

The Board on the recommendation of the audit committee has approved the appointment and remuneration of Rs. 40,000/- payable to M/s Amit Ketan & Co., cost Auditors to conduct the audit of the cost records of the Company for the financial year 2025-26.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year 2025-26 by passing an Ordinary Resolution set out at item No. 3 of the Notice.

None of the Directors / Key Managerial Personnel of the company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. The Board commends the ordinary Resolution set out at item No. 3 of the Notice for approval by the members

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

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

**Regd. Office:
Rampur, PS Maheshtala, Kolkata – 700 141
Date: 13.05.2025**

INSTAMEET VC INSTRUCTIONS FOR SHAREHOLDERS

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

- a) Visit URL: <https://instameet.in.mpms.mufg.com> & click on “Login”.
- b) Select the “Company” and ‘Event Date’ and register with your following details:
 - A. Demat Account No. or Folio No:**
 Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
 Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 Shareholders holding shares in physical form – shall provide Folio Number.
 - 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. Mobile No:** Enter your Mobile No.
 - D. Email ID:** Enter your email Id as recorded with your DP/ Company.
- c) Click “Go to Meeting”
 You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

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

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

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

- a) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET
- c) Click on 'Submit'.
- d) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- e) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.

- f) 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. 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 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 General Meeting will be eligible to attend/ participate in the 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.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufig.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

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

Individual Shareholders holding securities in demat mode with NSDL**METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility****Shareholders who have registered for NSDL IDeAS facility:**

- Visit URL: <https://eservices.nsdl.com> and click on “Beneficial Owner” icon under “Login”.
- Enter User ID and Password. Click on “Login”
- 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.
- Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR**Shareholders who have not registered for NSDL IDeAS facility:**

- To register, visit URL: <https://eservices.nsdl.com> and select “Register Online for IDeAS Portal” or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Proceed with updating the required fields.
- Post successful registration, user will be provided with Login ID and password.

- d) After successful login, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- e) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL

- a) Visit URL: <https://www.evoting.nsdl.com>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- a) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services.
- b) Click on “MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL
METHOD 1 – Individual Shareholders registered with CDSL Easi/ Easiest facility
Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or www.cdslindia.com.
- b) Click on New System Myeasi Tab
- c) Login with existing my easi username and password
- d) After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.
- e) Click on “Link InTime/ MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

OR

Shareholders who have not registered for CDSL Easi/ Easiest facility:

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided username and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “Link InTime / MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL

- a) Visit URL: <https://www.cdslindia.com>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “Link InTime / MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, user shall navigate through “e-voting” option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) After successful authentication, click on “Link InTime / MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

- d) Visit URL: <https://instavote.linkintime.co.in>

Shareholders who have not registered for INSTAVOTE facility:

- e) Click on “**Sign Up**” under ‘SHARE HOLDER’ tab and register with your following details:

E. User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

F. 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.

G. DOB/DOI:

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

H. Bank Account Number:

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

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

***Shareholders 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).

- ❖ Enter Image Verification (CAPTCHA) Code

- ❖ Click “Submit” (You have now registered on InstaVote).

Shareholders who have registered for INSTAVOTE facility:

- f) Click on “**Login**” under ‘SHARE HOLDER’ tab.

A. User ID: Enter your User ID

B. Password: Enter your Password

C. Enter Image Verification (CAPTCHA) Code

D. Click “Submit”

- g) Cast your vote electronically:

A. After successful login, you will be able to see the “Notification for e-voting”.

B. Select ‘View’ icon.

C. E-voting page will appear.

D. 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).

E. 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 (“Custodian / Corporate Body/ Mutual Fund”)
STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- a) Visit URL: <https://instavote.linkintime.co.in>

- b) Click on “**Sign Up**” under “Custodian / Corporate Body/ Mutual Fund”

- c) Fill up your entity details and submit the form.

- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

- e) Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “**Investor Mapping**” tab under the Menu Section
- c) Map the Investor with the following details:
 - A. ‘Investor ID’ –
 - i. NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID
i.e., IN00000012345678
 - ii. CDSL demat account – User ID is 16 Digit Beneficiary ID.
 - B. ‘Investor’s Name - Enter Investor’s Name as updated with DP.
 - C. ‘Investor PAN’ - Enter your 10-digit PAN.
 - D. ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.

**File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.*

- E. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

STEP 3 – Voting through remote e-voting

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) Click on “**Votes Entry**” tab under the Menu section.
- c) Enter the “**Event No.**” for which you want to cast vote.
Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- d) Enter “**16-digit Demat Account No.**” for which you want to cast vote.
- e) 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).
- f) 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.

OR

METHOD 2 - VOTES UPLOAD

- a) Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- b) After successful login, you will be able to see the “Notification for e-voting”.
- c) Select “**View**” icon for “**Company’s Name / Event number**”.
- d) E-voting page will appear.
- e) Download sample vote file from “**Download Sample Vote File**” tab.
- f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under “**Upload Vote File**” option.
- g) Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed.
(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.muvg.com or contact on: - Tel: 022 – 4918 6000.

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 evoting@nsdl.co.in or call at : 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:
Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

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

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%), at least one numeral, at least one alphabet and at least one capital letter.*

User ID:

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click **“forgot password?”**
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on **“SUBMIT”**.

In case shareholders have a 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 information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%), at least one numeral, at least one alphabet and at least one capital letter.*

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

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders 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”.

DIRECTORS' REPORT

TO THE MEMBERS,

Your directors have the pleasure of presenting the thirty-third annual report of your Company together with the audited financial statements for the financial year ended 31st March 2025.

1. a. FINANCIAL SUMMARY OR HIGHLIGHTS OR THE PERFORMANCE OF THE COMPANY (₹ in Lacs)

Particulars	Standalone		Consolidated
	2024-25	2023-24	2024-25
Total Income	25294.61	19342.01	25294.61
Profit before Depreciation, Finance Cost, Tax and Exceptional items	2611.03	2226.28	2616.09
Depreciation and amortization expenses	520.92	429.13	520.92
Finance cost	486.97	415.90	419.79
Exceptional Items	NIL	NIL	NIL
Profit before Tax	1603.15	1381.25	1675.39
Less: Tax expenses	428.05	311.08	442.13
Profit for the year	1175.10	1070.17	1233.26
Other comprehensive income for the year	(38.39)	(4.66)	(38.39)
Total comprehensive income for the year	1136.71	1065.51	1194.87

b. DIVIDEND

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

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

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

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

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

e. SHARE CAPITAL

The paid-up capital of the company as on 31st March 2025 was INR 8 Crore. During the year under review the Company has not altered its share capital, consequently there has been no change in the capital structure since previous year.

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

As per the rule of the Companies Act, 2013 CSR is applicable on our company, and the Company has made an annual CSR contribution of Rs. 22 Lakhs to Rukmani Devi Sharadha Trust for Rural Development Projects and Hari Om Trust for medical camp in Uttarkhand.

2. MANAGEMENT DISCUSSION AND ANALYSIS

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

3. FINANCE**3.1. PUBLIC DEPOSIT**

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

3.2. PARTICULARS OF LOAN AND INVESTMENT AND GUARANTEE SECURITY

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

4. INTERNAL FINANCIAL CONTROL

The Company has formulated and implemented comprehensive guidelines to establish and maintain robust internal financial controls. These controls are embedded across various levels of operations and encompass both manual processes and automated systems, including Enterprise Resource Planning (ERP) applications. The ERP systems are configured to ensure that all financial transactions are appropriately authorized, accurately recorded, and systematically reported. These controls are tailored to suit the specific nature

of operations conducted at different business locations and across various functional domains, thereby ensuring relevance and effectiveness in internal governance.

The framework is designed to provide reasonable assurance regarding the reliability of financial reporting, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of financial statements.

To ensure the adequacy and operational effectiveness of these internal financial controls, periodic evaluations are conducted. The Internal Auditors carry out detailed assessments as part of their audit plan, and their findings are regularly reviewed by the management and the Audit Committee. In addition, the Statutory Auditors independently evaluate the internal financial controls over financial reporting as part of their audit procedures.

5. SUBSIDIARY COMPANY, JOINT VENTURE & ASSOCIATE COMPANY

As on 31st March 2025 your Company has 7 Wholly owned Subsidiary Companies: -

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

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

Your Company does not have any associates, holding or joint ventures as on 31st March, 2025.

6. YEAR IN RETROSPECT AND FUTURE OUTLOOK:

The specialty chemicals and broader chemicals industry serve as the backbone of multiple sectors, including agriculture, construction, automotive, electronics, pharmaceuticals, textiles, and consumer goods. In FY 2023–24, the global industry faced a complex environment shaped by macroeconomic uncertainty, geopolitical tensions, shifting supply chains, and growing

regulatory and sustainability demands. Nevertheless, resilience in end-use markets, innovation-led growth, and increased focus on specialty products continued to offer new avenues for expansion.

The global specialty chemicals market was valued at approximately **USD 820 billion in 2023**, with an annual growth rate of **4.8%**. The broader chemicals market exceeded **USD 5 trillion**, driven by steady demand from infrastructure, agriculture, personal care, and electronics sectors. Despite supply chain disruptions, inflationary pressures, and energy cost volatility—especially in Europe—key markets such as Asia-Pacific and North America remained stable.

Regional Overview

Asia-Pacific retained its dominance, accounting for over **45%** of global specialty chemical consumption. China and India emerged as pivotal players due to increased domestic demand, export opportunities, and government support for chemical manufacturing clusters.

Europe experienced slow growth owing to energy crises and regulatory constraints but remained a hub for green chemistry and innovation.

North America benefited from onshoring trends, energy availability, and increased production of high-value specialty chemicals, particularly in the U.S.

Global chemical players continued shifting from commoditized products to higher-margin, innovation-led specialty chemicals. This shift not only improved financial performance but also reduced environmental risks and strengthened customer relationships through customization.

Outlook for FY 2024–25

a. Growth Projections

The specialty chemicals industry is projected to grow at a **CAGR of 5.5%**, reaching **USD 870–900 billion** by FY 2025. The broader chemicals market is expected to cross **USD 5.5 trillion**, supported by post-COVID recovery in infrastructure, automotive, and industrial manufacturing.

b. Emerging Markets and India's Role

India is expected to be a standout performer due to:

India's specialty chemicals industry is expected to grow at over **11–12% CAGR**, potentially reaching **USD 65–70 billion** by 2025.

7. LISTING OF THE SECURITIES OF THE COMPANY

Equity shares of the Company got listed on 29th September 2023 on BSE and the listing Fees for the Financial year 2025 – 2026 have been paid on 30.04.2025 and 72.44% of the Equity Share Capital of the Company is in Dematerialization form.

8. DIRECTORS RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the Annual Accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit and loss of the company for that period.
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The directors have prepared the annual accounts on a going concern basis.
- (e) The directors, have laid down internal financial control to be followed by the company and that such internal financial control are adequate and were operating effectively, and
- (f) The directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such system were adequate and operating effectively.

9. RELATED PARTY TRANSACTIONS

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

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

10. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has a Vigil Mechanism to deal with instance of fraud and mismanagement, if any. The details of the Vigil Mechanism is explained in the Corporate Governance Report and also posted on the website of the Company www.arclorganics.com.

11. CORPORATE GOVERNANCE

ARCL Organics Ltd is committed to upholding the highest standards of corporate governance. The principles of good governance are deeply embedded in the Company's culture and extend to all stakeholders, influencing every business decision. The Company places paramount importance on accuracy in financial reporting, integrity, transparency, legal compliance in both letter and spirit, and the empowerment of individuals at all levels. The Management Discussion and Analysis Report is presented under the section titled "The Year in Review" in the Annual Report. Additionally, the Corporate Governance Report, along with a Certificate from the Secretarial Auditors affirming compliance with the prescribed corporate governance norms, is annexed and forms an integral part of the Directors' Report.

The Company makes a conscious and continuous effort to ensure that the core values articulated in the Codes of Conduct for Directors, Senior Management Personnel, and Employees are upheld across the organization. These values are not only documented but are also practiced in spirit, fostering a culture of accountability, ethical conduct, and responsible leadership at all levels.

12. ANNUAL RETURN

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

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

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

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

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

Particulars required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, under the heads (a) conservation of energy; and (b) technology absorption, are not applicable to the Company. During the year there was no foreign exchange earnings (previous year nil). Foreign Exchange outgo during the year aggregated to Nil. (previous year Nil).

15. DIRECTORS

Composition of the Board of Directors of your Company fulfills the criteria fixed by Regulation 17 (1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with fifty per cent of the Directors being Non-Executive Director with at least one-women independent director. Your Board comprises of (Six) directors out of which 3 (Three) are independent directors and it includes one-woman independent director.

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

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

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

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

16. 1. ANNUAL PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually, Key Managerial Personnel (KMP), Senior Management as well as the evaluation of the working of its Audit

Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

16.2. NOMINATION & REMUNERATION POLICY

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

16.3. MEETINGS

During the year four (04) Board Meetings and Four (04) Audit Committee Meetings were convened and held, the details of which are given in the “Corporate Governance Report”. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

17. AUDITORS

17.1. STATUTORY AUDITORS

The Member had appointed M/s L. B. Jha & Co, Chartered Accountants (Firm Registration No 301088E) as the statutory auditor of the Company at the 31st Annual General Meeting, to hold office as such, for a term of 5 years till the conclusion of 36th Annual General Meeting. M/s L.B. Jha & Co. continues to be the auditor of the Company for the financial year 2024 – 2025.

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

17.2. SECRETARIAL AUDIT

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

AUDITORS' QUALIFICATION**(i) STATUTORY AUDITORS' QUALIFICATIONS**

There are no qualifications. Qualifications contained in the Auditors' Report if any have been dealt with in the Notes to financial statements and are self-explanatory.

(ii) SECRETARIAL AUDITORS' QUALIFICATIONS

There are no qualifications. Qualifications contained in the Secretarial Auditors' Report if any have been dealt with in the Notes to Form MR-3 and are self-explanatory.

18. FRAUD REPORTING

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

19. COST AUDITORS

Pursuant to section 148 of the Act, the Board has appointed M/s. Amit Khetan & Co (Firm Registration No. - 102559), to conduct the audit of cost records of the Company for the Financial Year 2024 – 2025.

20. SECRETARIAL AUDITOR & SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s KSN & Co., Practicing Company Secretaries, to conduct Secretarial Audit of the Company for the Financial year 2024 - 2025.

The Secretarial Audit Report for the Financial year 2024 - 2025 is provided as an Annexure to this Report. The Report does not contain any qualification, reservation or adverse remark.

21. SECRETARIAL COMPLIANCE REPORT

The Company has undertaken an audit for the Financial Year ended March 31, 2025, for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circulars/Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by M/s KSN & Co., Practicing Company Secretaries, has been submitted to the Stock Exchanges on 29.05.2025 which is within 60 days from the end of the Financial Year.

22. INTERNAL AUDITOR

The Board of Directors of the Company has appointed M/s. MIB & Co. as Internal Auditors to carry out extensive Internal Audit of the Company for the Financial Year ended March 31, 2025.

23. REPORTING OF FRAUD BY AUDITORS

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

24. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is given in “Annexure C”.

25. TAXES AND DUTIES

Your Company has contributed Rs.35,84,83,617/-to the Central and State Exchequer by way of Taxes and duties.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN

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:**

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

b. Impact of the above Measures:

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

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

- Power & Fuel Consumption

I.	Electricity	Values
	Purchased Units (KWH in lacs)	86.90
	Total Amount (in Lacs)	726.79
	Monthly average (Rs. In Lacs)	60.56
	Rate (Rs/KWH)	8
II	Fuel Consumption	
	LDO Consumption (in KL)	203.29
	Total Amount (Rs. In Lacs)	119.56
	Monthly average (Rs. Lacs)	9.96
	Rate (Rs/Lacs)	58.81

FO Consumption from April 2024 to March 2025 = 109.85KL

Total amount (Rs in Lacs) = 66.21

Monthly Average (Rs in Lacs) = 5.52

Rate (Rs/Litre) = 60.28

Technology Absorption:
Research and Development (R & D):

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

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

Expenditure on R & D:

No.	Particulars	2024-25 (Rs.)
I.	Capital Expenses	5,32,100
II.	Revenue Expenses	1,11,42,664
III.	Total	1,16,74,764

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 funds 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. 40,83,456/-
- b) Earnings in Foreign Currency- Rs. 72,43,08,259/-

27. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT

Particulars	Secured Loan Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	804.42	2082.62	-	2887.04
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	804.42	2082.62	-	2887.04
Change in Indebtedness during the financial year				
Additions	950.96	730.52	-	1681.48
Reduction	697.54	361.36	-	1058.90
Net Change	253.42	369.16	-	622.58
Indebtedness at the end of the financial year	1057.84	2451.78	-	3509.62
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1057.84	2451.78	-	3509.62

28. MATERNITY BENEFIT

The Company continues to comply with the provisions of the Maternity Benefit Act, 1961. Eligible female employees are provided maternity leave and benefits as per statutory norms. Maternity leave of up to 26 weeks is granted for the first two children and 12 weeks for subsequent childbirths, along with full pay during the leave period. The Company remains committed to supporting the health and well-being of its employees and fostering a conducive work environment for working mothers.

29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

30. ACKNOWLEDGEMENTS

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

Regd. Office:
Rampur Budge Budge Trunk Road,
Kolkata 700 141
13th Day of May 2025

For and on behalf of the Board of Directors

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

“ANNEXURE – A”**ANNEXURE TO DIRECTORS' REPORT****MANAGEMENT DISCUSSION AND ANALYSIS****1. FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in strict compliance with the applicable provisions of the Companies Act, 2013 and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). These statements present a true and fair view of the Company's financial position, operational results, and cash flows for the reporting period.

This document may contain certain statements that are of a forward-looking nature. Such statements are not historical facts but are based on current expectations, assumptions, and projections regarding future events, including but not limited to the Company's financial performance, business strategies, market dynamics, future plans, and growth prospects.

Forward-looking statements involve inherent risks and uncertainties that could cause actual outcomes and results to differ materially from those anticipated. These uncertainties may arise from factors such as economic conditions, market trends, changes in regulatory frameworks, technological developments, competitive pressures, supply chain disruptions, and other external variables that are often beyond the Company's control.

While the Company strives to identify and manage risks to the best of its ability, it does not undertake any obligation to publicly update or revise any forward-looking statements in light of new information or future events, unless required by applicable law.

Accordingly, these statements should not be interpreted as guarantees of future performance, nor should they be relied upon as definitive indicators of expected outcomes. Readers and stakeholders are advised to exercise appropriate judgment when interpreting such statements and to consider the inherent limitations associated with forward-looking information.

2. MACRO-ECONOMIC OVERVIEW

The Indian economy navigated FY 2023–24 with commendable resilience amid a turbulent global environment. External headwinds, including the prolonged Russia-Ukraine conflict, monetary tightening by advanced economies, and a slowdown in global trade, posed significant challenges. Yet, India managed to maintain macroeconomic stability and demonstrated robust growth, owing to prudent policy interventions, healthy domestic demand, and structural reforms.

The global economy in 2023–24 experienced a moderation in growth. The International Monetary Fund (IMF) projected global GDP growth to slow to around 3.0%, with developed markets such as the U.S. and Eurozone facing heightened recessionary risks. Escalating geopolitical tensions and banking sector stress in the West, notably in the U.S. and Switzerland, spurred volatility in global capital markets. These developments led to risk aversion among global investors, temporarily affecting capital flows to emerging markets, including India.

Despite these uncertainties, India's real GDP growth was estimated at **7.0%** in FY 2023–24, maintaining its position as one of the fastest-growing major economies. Key drivers included strong private consumption, government capital expenditure, and steady performance in agriculture and services. The manufacturing sector, though impacted by global demand weakness, showed signs of revival in the second half of the fiscal year.

The Reserve Bank of India, in its latest assessments, maintained its **FY 2024–25 GDP growth projection at 6.5%**, suggesting continued optimism about domestic economic fundamentals.

Inflation remained a central concern during the year, particularly in the early quarters. The RBI had cumulatively raised the policy **repo rate by 290 basis points** from May 2022 through February 2023 to combat inflation. However, as inflationary pressures began to ease—largely due to falling commodity and crude oil prices—the RBI **paused its rate hikes in April 2023** and **subsequently cut the repo rate by 25 basis points to 6.25% in December 2024**, citing stable inflation and the need to support growth.

CPI Inflation: Declined to **4.83% in April 2024**, well within the RBI's tolerance band of 2–6%.

WPI Inflation: Remained in the negative for several months, with a contraction in input prices and global disinflationary trends contributing.

India's **merchandise trade deficit** narrowed significantly in FY 2023–24, supported by a decline in imports of oil and non-essential goods, alongside a resilient services sector surplus.

Trade Deficit (FY 2023–24): USD 240.17 billion, down from USD 264.9 billion in the previous year.

Current Account Deficit (CAD): Estimated at **1.2% of GDP**, comfortably financed by capital flows.

The services sector, particularly IT and business services, remained a bright spot, registering consistent surpluses and contributing to foreign exchange reserves stability.

The **Indian Rupee** remained broadly stable throughout the fiscal year, trading in a controlled range due to proactive RBI interventions and strong fundamentals. Despite intermittent

foreign portfolio investment (FPI) outflows influenced by global risk-off sentiment, the rupee was shielded by robust domestic inflows and healthy forex reserves.

Foreign Exchange Reserves: Hovered around **USD 580–600 billion**, offering a strong buffer.

Demat Accounts: Surged to **185.3 million**, reflecting deepening financial inclusion and investor participation in equity markets.

The government's focus on infrastructure development remained a cornerstone of economic strategy. Public capital expenditure, particularly in roads, railways, and digital infrastructure, catalyzed private investment and job creation.

Private sector investment began showing signs of revival, with announcements in sectors such as renewable energy, electronics manufacturing, and defense. High capacity utilization in manufacturing and production-linked incentive (PLI) schemes spurred corporate confidence.

The **India Meteorological Department (IMD)** forecasted a **normal monsoon** for the 2024 season, with rainfall expected at **96% of the long-period average**. Adequate rainfall is expected to boost **kharif crop production**, lower food inflation, and support rural demand recovery. This is particularly important as rural India accounts for a large portion of the country's consumption base.

FY 2024–25 witnessed net **FPI outflows in the first half**, followed by a return of foreign investors in the latter part of the year. Key influencing factors included U.S. interest rate decisions, global risk appetite, and India's macroeconomic stability.

Domestic institutional investors (DIIs) and retail investors continued to provide strong market support.

Market capitalization at Indian stock exchanges reached new highs, reflecting investor confidence.

Despite a record number of demat accounts, **active equity participation remains limited to an estimated 3–4% of Indian households**, indicating significant potential for market deepening.

3. OPPORTUNITIES

The outlook for the agriculture sector and rural demand in FY 2024–25 has improved significantly, supported by higher Rabi output in the previous season and the Indian Meteorological Department's forecast of a normal monsoon. These developments are expected to sustain rural consumption and support overall economic activity.

The government's sustained emphasis on capital expenditure, along with capacity utilisation levels continuing to remain above the long-term average, is anticipated to provide momentum to the manufacturing sector. Additionally, the moderation in global commodity prices is likely to reduce input cost pressures and improve margins, further strengthening the investment climate.

However, net external demand may remain subdued due to persistent global headwinds, including tightening financial conditions, sluggish global trade, and the continuing geopolitical tensions. The volatility in international financial markets and uncertainty around energy prices continue to pose downside risks to India's growth outlook.

Taking into account the positive domestic indicators and prevailing external risks, **real GDP growth for FY 2024–25 is projected at 6.5%**, indicating continued resilience in the Indian economy.

India's banking sector remains robust, underpinned by strong capital adequacy, high liquidity buffers, improving asset quality, and stable profitability. Gross non-performing assets (GNPA) have declined to multi-year lows, while credit growth remains healthy across retail, services, and industry segments. With better provisioning coverage and prudent risk management practices, the Indian banking system is well-positioned to support economic growth and withstand potential external shocks.

4. THREATS

The Indian chemical industry, though poised for robust growth and global prominence, is faced with several structural and emerging threats that could potentially undermine its long-term sustainability and competitiveness. One of the most significant challenges is the sector's heavy dependence on imported raw materials and intermediates, particularly from China. This dependency not only exposes Indian manufacturers to global supply chain disruptions, price volatility, and geopolitical tensions but also weakens the industry's ability to respond swiftly to fluctuations in demand and cost structures. Any disruptions in global trade routes or diplomatic relations can severely affect production continuity and profit margins.

Environmental compliance has also emerged as a critical pressure point. As India strengthens its regulatory framework to align with global standards, chemical manufacturers are grappling with increasingly stringent norms related to effluent discharge, emissions, hazardous waste management, and occupational safety. While these measures are necessary to ensure sustainable development, they also necessitate substantial investments in pollution control infrastructure and compliance systems. For many small and mid-sized companies,

meeting these requirements can be financially burdensome, and non-compliance risks shutdowns, penalties, or reputational damage.

Another key threat lies in the inadequacy of domestic infrastructure. Poor road and rail connectivity to industrial hubs, congested ports, and a lack of dedicated chemical logistics corridors increase transportation costs and turnaround times, thereby eroding the industry's global competitiveness. Additionally, India still lags behind in establishing integrated chemical parks and clusters with common utilities, which are critical to achieving economies of scale and environmental compliance.

The Indian chemical industry is also vulnerable to global economic trends, such as inflation, recessionary cycles, and fluctuations in energy prices. Being an energy-intensive sector, spikes in crude oil and natural gas prices directly impact input costs and can destabilize financial planning. Moreover, the absence of long-term, stable policy frameworks and incentives often creates uncertainty in investment decision-making, especially for capital-intensive specialty chemical projects.

Workforce-related issues further compound the threat landscape. There is a growing shortage of technically skilled personnel in chemical process industries, particularly in areas such as R&D, regulatory affairs, and digital process automation. This talent gap hinders innovation and the industry's ability to scale up value-added, technology-driven segments.

Finally, global competition continues to intensify. Indian manufacturers face increasing pressure from international players with more advanced technologies, better access to capital, and more favorable operating environments. As multinational corporations consolidate their positions in emerging markets, Indian firms must constantly innovate and upgrade their capabilities to retain market share.

In sum, while India's chemical industry holds great promise, it must proactively address these multifaceted threats through policy support, investment in infrastructure, environmental stewardship, skill development, and strategic diversification to sustain its growth trajectory and become a resilient global leader.

5. RISKS AND CONCERNS

The chemicals industry in India, while demonstrating significant growth potential, operates within a complex and often volatile landscape marked by a range of risks and concerns that threaten its stability, profitability, and long-term sustainability. One of the most persistent risks is the **heavy reliance on imported raw materials and intermediates**, particularly from countries like China. This over-dependence creates vulnerabilities in the supply chain, exposing manufacturers to sudden price hikes, export restrictions, and geopolitical tensions.

Any disruption in international trade routes or diplomatic relations can lead to raw material shortages, production delays, and increased input costs.

Environmental and regulatory compliance is another major area of concern. With rising environmental awareness and stricter enforcement by Indian regulatory bodies, chemical manufacturers are under increasing pressure to invest in pollution control technologies, waste management systems, and cleaner production methods. While these efforts are essential for sustainable growth, they also entail high compliance costs, especially for small and medium enterprises (SMEs) that often lack the financial and technical resources to meet evolving standards. The threat of regulatory non-compliance includes fines, operational shutdowns, and reputational damage, all of which can adversely impact business continuity.

The industry also faces significant **infrastructure bottlenecks**, including inadequate connectivity to ports, congested road and rail networks, and limited access to integrated industrial zones with shared utilities. These inefficiencies lead to high logistics costs, supply chain delays, and reduced competitiveness in global markets. Furthermore, the lack of well-developed chemical clusters and specialized industrial parks hampers the ability to achieve economies of scale, efficient waste treatment, and regulatory compliance through shared resources.

Skilled manpower shortages represent another critical challenge. The sector increasingly requires talent with expertise in chemical engineering, process automation, safety management, and environmental science. However, there is a visible gap between industry requirements and available talent, both in terms of quality and quantity. This talent mismatch restricts innovation, slows down the adoption of advanced technologies, and affects operational efficiency.

From a financial standpoint, the industry is exposed to **global economic fluctuations**, including interest rate volatility, inflation, and energy price spikes. Since chemical production is energy-intensive, sharp increases in the cost of power, gas, or crude derivatives directly impact manufacturing margins. Additionally, the chemicals sector often requires long-term capital investment, and frequent policy changes or lack of clear regulatory direction can deter both domestic and foreign investors.

The increasing **stringency of global trade and product standards** also poses risks, especially for exporters. Many countries have introduced stricter norms related to chemical composition, safety, labelling, and environmental impact. Non-compliance with such regulations may lead to rejection of consignments, penalties, or bans, thereby affecting export revenues and brand credibility.

Finally, **public perception and social resistance** to chemical plants—often arising from environmental concerns, safety fears, or land use conflicts—pose reputational and operational risks. Industrial accidents, if not managed properly, can severely damage community trust and result in long legal battles and compensation liabilities.

6. FUTURE OUTLOOK

The future of the chemicals industry in India appears highly promising, driven by a confluence of favorable macroeconomic factors, evolving global dynamics, strong domestic demand, and policy support. Positioned as one of the fastest-growing chemical markets in the world, India is expected to play a pivotal role in reshaping global supply chains, particularly in the specialty chemicals, agrochemicals, and pharmaceutical intermediates segments.

With a market size projected to surpass **USD 300 billion by 2025** and growing at a **CAGR of 9–10%**, the Indian chemicals industry is set to emerge as a global manufacturing and export hub. Several factors contribute to this optimistic outlook. The government's push for self-reliance through the "Make in India" and **Production Linked Incentive (PLI)** schemes has catalyzed fresh investments in chemical manufacturing. Furthermore, India is increasingly seen as a preferred alternative under the "**China+1**" strategy, as global firms look to de-risk their supply chains from overdependence on China. This strategic repositioning is expected to drive long-term growth and increase foreign direct investment (FDI) inflows into the sector.

Domestically, the demand for chemicals is being fueled by strong performance in end-user industries such as agriculture, construction, automotive, textiles, pharmaceuticals, and personal care. The rising middle-class population, urbanization, and a shift towards processed and quality consumer goods are contributing to sustained demand growth across various chemical categories. Specialty chemicals, in particular, are poised for rapid expansion, given their role in delivering customized, high-performance products for niche applications.

Sustainability and green chemistry are expected to shape the future of the industry. Indian companies are increasingly investing in **bio-based chemicals, eco-friendly formulations, circular economy models, and zero-liquid discharge systems** to align with global environmental standards and enhance their export competitiveness. This transition to cleaner and more sustainable practices not only opens access to premium global markets but also ensures long-term regulatory compliance.

Technological advancement and digital transformation are also set to redefine operational efficiency. The adoption of **Industry 4.0 technologies**—such as automation, artificial

intelligence, data analytics, and predictive maintenance—will lead to smarter manufacturing practices, better quality control, and optimized resource utilization. These innovations are expected to make Indian chemical companies more agile, cost-efficient, and quality-conscious.

Furthermore, the development of **chemical industrial parks, Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs)**, and integrated infrastructure projects will enhance capacity utilization, reduce production costs, and promote cluster-based development. Such ecosystems are expected to facilitate better logistics, shared utilities, and easier regulatory approvals.

However, the growth outlook is not without challenges. The industry must overcome hurdles such as raw material dependency, environmental compliance costs, and skilled manpower shortages. But with the right mix of public-private collaboration, policy reforms, and technology adoption, these risks can be mitigated effectively.

7. GREEN INITIATIVE

Your company took measures to send all documents in electronic mode to the members who have registered their email ID's with the Company / Registrar & Share Transfer Agent, a step towards achieving paperless statutory compliances.

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

9. CAUTIONARY STATEMENT

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

Regd. Office:
Rampur Budge Budge Trunk Road,
Kolkata 700 141
The 13th day of May 2025

For and on behalf of the Board of Directors

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

“ANNEXURE – B”

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED **31st March 2025**
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
ARCL ORGANICS LIMITED
(L24121WB1992PLC056562)
RAMPUR, P.S. MAHESHTALA
PARGANAS SOUTH
KOLKATA - 700141

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s ARCL ORGANICS LIMITED (CIN: L24121WB1992PLC056562)** (hereinafter called as “the company”). The Secretarial Audit was conducted for the year ended **31st March 2025** in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March 2025** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on **31st March 2025** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(not applicable to the company during the audit period)**
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**
- (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the audit period)**
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)** and
- (j) I further report that, the Company has identified the following laws as specifically applicable to the Company:
 - a. The Factories Act, 1948
 - b. Minimum wages Act, 1948
 - c. The Explosive Act, 1884
 - d. Indian Boilers Act, 1923
 - e. The Bengal Excise Act, 1909
 - f. Hazardous Chemicals Rules
 - g. Air (Prevention and Control of Pollution) Act, 1981
 - h. Water Air (Prevention and Control of Pollution) Act, 1974

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

- (i) Secretarial Standards with regard to Meetings of Board of Directors ('SS-1') and General Meetings ('SS-2') issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

I 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.

I further report that the Company has complied with the provisions of the Companies Act, 2013 and the Rules made there under and as notified by the Ministry of Corporate Affairs with regard to:

- (i) Maintenance of various statutory registers and documents and making necessary entries therein.
- (ii) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the stock exchanges.
- (iii) Minutes of the proceedings of General meetings, Board Meetings and the Committee Meetings.
- (iv) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (v) Adequate notice is given to all directors to schedule the Board Meetings, Independent Directors Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, or at shorter notice in compliance with the applicable provisions of the Act (where ever required) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors.

During the year under review, directors have also participated in the board / committees' meetings through video conferencing, such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Companies Act read with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014.

All decisions at Board and/or Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

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

I further report that:

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

2. Pursuant to its listing application and in compliance with the minimum public shareholding requirement, the Company has transferred shares to a trust for dilution via an offer for sale through the secondary market. As of the date of signing this report 97,756 equity shares out of 10,00,000 have been divested through SBICAP Trustee Ltd. The remaining 902,244 shares will be sold in phases, subject to market conditions and strategic considerations. The Company continues to monitor market trends to optimize the timing and execution of the divestment.

I further report that during the Audit period, the Company had the following specific events:

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

Nature of litigation	No. of Proceedings	Amount (Rs in Lacs)
Cases pending in the matter of Direct Tax	2	957.75
Indirect Taxes	3	270.14

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

NAND KISHORE SHARMA
MEM No: A32530 | COP No: 20657
UDIN: A032530G000342455
DATE: 14.05.25
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
(L24121WB1992PLC056562)
RAMPUR, P.S. MAHESHTALA
PARGANAS SOUTH
KOLKATA - 700141

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

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

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

NAND KISHORE SHARMA
MEM No: A32530 | COP No: 20657
UDIN: A032530G000342455
DATE: 14.05.25
PLACE: KOLKATA

“ANNEXURE – C”
PARTICULARS OF EMPLOYEES

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

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2024 – 2025.

Name of Directors or KMP	Designation	The ratio of remuneration of each Director to the median remuneration for the financial year 2024-25	Percentage increase in remuneration in the financial year 2024-25
Shri Suraj Ratan Mundhra	Chariman and Managing Director	17.09	50%
Shri Rajesh Mundhra	Whole time Director	17.09	50%
Shri Mukesh Mundhra	Whole time Director	17.09	50%
Mr. Navneet Bagri	CFO	-	33%
Mr. Subhankar Paul	CS	-	11%

Notes:

A. As on March 31, 2025, the total number of permanent employees on the rolls of the Company stood at 158.

B. The median remuneration of employees during the financial year 2024–25 was ₹23,400 per month.

C. There was no increase in the median remuneration of employees during the financial year 2024–25.

D. During the year under review, the remuneration of the Chairman and Managing Director and the Executive Directors were granted a remuneration increase of 50%, as their compensation was not aligned with prevailing industry benchmarks. The revision was made after a gap of over two years.

E. No employee of the Company received remuneration exceeding ₹60 lakhs per annum during the financial year.

F. The remuneration paid to employees during the year was in accordance with the Remuneration Policy of the Company, which is designed to attract, retain, and motivate competent talent in a competitive market environment.

For and on behalf of the Board of Directors
(Suraj Ratan Mundhra)
CHAIRMAN
(DIN NO. 00681223)

ANNEXURE – D**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2024-2025**

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

Transparency and accountability form the cornerstone of effective Corporate Governance. It encompasses a framework of laws, policies, procedures, and, most critically, practices that safeguard the Company's assets, enhance shareholder value, and fulfill social responsibilities.

The Board of Directors of the Company is dedicated to upholding the highest standards of Corporate Governance. The Board plays a pivotal role in overseeing the management's efforts to serve both the short-term and long-term interests of shareholders and other stakeholders. This commitment is reflected in our governance practices, which emphasize the maintenance of an effective, informed, and independent Board.

Responsible corporate conduct is central to our business operations. Our actions are guided by a set of core values and principles that are consistently reinforced across all levels of the organization.

The Board of Directors is resolute in ensuring that all business decisions are made ethically and in full compliance with applicable laws and regulations. To this end, a comprehensive Code of Conduct has been adopted to promote strict adherence to sound management practices.

The Company fully acknowledges its obligations to stakeholders and ensures compliance with the Corporate Governance requirements as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are committed to protecting shareholders' rights and consistently strive to maximize long-term shareholder value.

I. Company's philosophy on Corporate Governance

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices and performance, and ensure that we gain and retain the trust of our stakeholders at all times.

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

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

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

II. Board of Directors

The Board recognizes its primary role of trusteeship of shareholder capital. Our corporate governance follows the guidelines established by the Board of the Company. These guidelines provide a structure within which directors and the Management can effectively pursue the Company's objectives for the benefit of its stakeholders.

a) Role of the Board of Directors

The primary role of the Board is to protect and enhance shareholder value. It monitors the effectiveness of the Company's governance practices and makes changes as necessary. The Board exercises independent judgment on corporate affairs. The Board also provides direction and

exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. In addition to its primary role of monitoring, corporate performance, functions of the Board include:

- (i) approving corporate philosophy and vision;
- (ii) formulation of strategic and business plans;
- (iii) reviewing and approving financial plans and budgets;
- (iv) monitoring corporate performance against strategic and business plans, including overseeing operations;
- (v) ensuring ethical behavior and compliance of laws and regulations;
- (vi) reviewing and approving borrowing limits;
- (vii) formulating exposure limits; and
- (viii) keeping shareholders informed regarding plans, strategies and performance.

b) Independent directors

We abide by the definitions of an independent director, as laid down under the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), as amended. Based on the disclosures received from all independent directors and in the opinion of the Board, the independent directors fulfil the conditions specified in the Act, the Listing Regulations, and are independent of the Management. The Independent Directors play an important role in deliberations and decision-making at the Board Meetings and bring to the Company wide experiences in their respective fields. They also contribute in significant measure to Board Committees.

c) Board composition and category of Directors

The Company recognizes and embraces the importance of a diverse Board in its success. As on March 31, 2025, the Company has 3 (Three) directors which includes an Executive Chairman, Managing Director and Whole Time Director and 3 (Three) Directors who are Non-Executive - Independent Directors including a Woman Director. Composition of the Board of your Company fulfills the requirement under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is as under:

Category	Particulars of Directors
Non-Executive - Independent Directors	i. Mr. Brij Mohan Mohta, Non-Executive – Independent Director ii. Mrs. Stuti Pithisaria, Non-Executive – Independent Director iii. Mr. Prateek Chaudhary, Non-Executive – Independent Director
Executive – Non - Independent Directors	i. Mr. Suraj Ratan Mundhra, Executive Director, Chairman and Managing Director ii. Mr. Rajesh Mundhra, Promoter - Whole Time Director iii. Mr. Mukesh Mundhra, Promoter - Whole Time Director

As per the Regulation 26 of SEBI (Listing obligation and Disclosure Requirement), Regulation 2015, no Directors on the Board are members of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees across all Companies in which they are Directors. Necessary disclosures regarding Committee position in other Public Companies as on March 31, 2025 have been made by the Directors.

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

Chairmanships /Memberships of Board Committees includes Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. None of the directors are related inter-se.

Name of the Directors	Category	No of Board Meetings attended during F.Y. 2024-2025	Whether attended last AGM held on 21st June, 2024	No. of other Directorships	*No of other Board / Committees of which he/she is a member	*No of other Board / Committees of which he/she is a chairman
Mr. Suraj Ratan Mundhra	Promoter non-independent	4	Yes	3	1	0
Mr. Rajesh Mundhra	Promoter Whole Time Director	4	Yes	3	0	0
Mr. Mukesh Mundhra	Promoter Whole Time Director	4	Yes	1	0	0
Mr. Brij Mohan Mohta	Independent	4	Yes	3	0	4
Mr. Prateek Chaudhary	Independent	4	Yes	0	4	0
Mrs. Stuti Pithisaria	Independent	4	Yes	1	4	0

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

Sl. No	Name of Director	Name of the Listed Entity	Category of Directorship
1.	Mr. Suraj Ratan Mundhra	ARCL Organics Ltd.	Chairman - Managing - Non-Independent Director
		ARC Holding Ltd.	Executive Non-Independent Director
		Classic Furniture & Furnishings Private Limited	Executive Non-Independent Director
		Classic Furniture Manufacturing Company Pvt Ltd	Executive Non-Independent Director
2.	Mr. Rajesh Mundhra	ARCL Organics Ltd.	Whole Time - Non- Independent Director
		ARC Holding Ltd.	Executive Non-Independent Director
		Classic Furniture & Furnishings Private Limited	Executive Non-Independent Director
		Classic Furniture Manufacturing Company Pvt Ltd	Executive Non-Independent Director
3.	Mr. Mukesh Mundhra	ARCL Organics Ltd.	Whole Time - Non- Independent Director
		ARC Holding Ltd.	Executive Non-Independent Director
4.	Mr. Brij Mohan Mohta	ARCL Organics Limited	Non-Executive Independent Director
		Rajasthan Yarn Processing Mills Pvt Ltd	Executive Non-Independent Director
		Ambica Textile Mills Pvt Ltd	Executive Non-Independent Director
		Bengal Integrated Textile Park Limited	Executive Non-Independent Director
5.	Mr. Prateek Chaudhary	ARCL Organics Limited	Non-Executive Independent Director
6.	Mrs. Stuti Pithisaria	ARCL Organics Limited	Non-Executive Independent Director
		Ganges Infotech Private Limited	Executive Non-Independent Director

d) Resignation / Appointment of the Directors and Key Managerial Personnel

There were two resignations during the period:

1. Mr. Nilmani Rathi – Independent director resigned on 20.04.2024
2. Mr. Ajay Kr. Mimani – Executive director resigned on 26.04.2024

e) Key Board qualifications, expertise and attributes

A brief resume of Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorships, Memberships / Chairmanships of Board Committees and their shareholding in the Company are provided below:

- i. Mr. Suraj Ratan Mundhra - is a highly accomplished professional with a diverse educational background, having completed his master's in commerce, AICWA (Intermediate), and LLB. His journey in the corporate world began in 1969 when he started his career as a Chemical Trader. In 1983, he made a bold move by acquiring ARCL, a loss-making unit, and took on the challenge of turning the company around.

With over five decades of experience under his belt, Mr. Mundhra's leadership and expertise have been instrumental in driving ARCL Organics Ltd to new heights. One of his notable contributions is introducing the latest formaldehyde technology, which has played a significant role in the company's success. As the Chairman and Managing Director of ARCL Organics Ltd, Mr. Mundhra's influence and vision have touched all aspects of the organization. With a stellar track record and profound understanding of the business landscape, Mr. Suraj Ratan Mundhra continues to inspire and steer ARCL Organics Ltd towards greater achievements in the world of chemicals and organic solutions.

- ii. Mr. Brij Mohan Mohta - has 45 years' experience in Textile Manufacturing, presently carrying on trading business in textile fabric having a vast knowledge of manufacturing and trading business and also holding directorship in other Companies.
- iii. Mr. Rajesh Mundhra - is a distinguished postgraduate from the esteemed University of Hartford. With over 25 years of experience in the Chemical industries, he has honed his expertise in various domains, including production, product development, maintenance, factory administration, and marketing. His professional focus centers around fully optimizing resource utilization, showcasing his commitment to efficiency and effectiveness in business operations. Furthermore, Mr. Mundhra maintains a close and influential relationship with the Indian Plywood Industry, underscoring his deep involvement and understanding of the sector. With his extensive knowledge and multifaceted skills, Mr. Rajesh Mundhra continues to be a driving force in the Chemical industry, contributing significantly to the growth and success of businesses he is associated with.
- iv. Mr. Mukesh Mundhra - is a highly accomplished postgraduate from the prestigious University of California. With an extensive background spanning more than 20 years, he has amassed a wealth of experience in the Petrochemicals, Oil and Gas, and shipping industries, excelling in various facets of business and marketing. As a key figure in the organization, Mr. Mundhra assumes responsibility for critical areas such as business development, expansion, and spearheading new projects. Notably, he played a pivotal role in the success of ARCL by introducing the innovative Aqua Strong Bond, a product that garnered immense acclaim for the company. Heading the entire marketing team, Mr. Mukesh Mundhra's visionary leadership and strategic acumen have been instrumental in driving the overall growth and success of the Company. His exceptional abilities and vast expertise continue to shape the trajectory of the organization, making him an invaluable asset in the industry.

- v. Mr. Prateek Chaudhary – is a qualified Chartered Accountant and has more than 9 years of experiences in practice field. He is a senior partner at M/s Mahander Chaudhary & Co, Chartered Accountants, a renowned CA firm with a legacy of almost 40 years. He currently serves as the Chairman of the Council on Startups at the Merchants Chambers of Commerce & Industry in Kolkata, where he plays a pivotal role in promoting and supporting startups in the region. He has been a mentor for MSMEs and was Co-Chair of Council on MSMEs at MCCI for the year 2022-2023.
- vi. Mrs. Stuti Pithisaria - is a Practicing Company Secretary with over 15 years of extensive experience in handling capital markets transactions including preferential allotments, QIP and allied Stock Exchange and SEBI related matters. She has been instrumental in planning and structuring various types of further allotments, resolving listing related issues, obtaining SEBI's exemptions, stock exchange approvals and other clearances. She has dealt with all kind of matters involving Corporate Laws, due diligence, M&A, ESOPs, insider trading regulations.

f) Responsibilities of the Board

The primary responsibility of the Board is to protect and enhance shareholder value. It monitors the effectiveness of the Company's governance framework and implements changes as needed to ensure continuous improvement. The Board exercises independent judgment in all corporate matters and focuses on key areas such as strategy, policy formulation, oversight and control, delegation of authority, and defining matters reserved for its exclusive decision. Additionally, the Board reviews corporate performance and ensures transparent reporting to shareholders.

There is a clear distinction between the roles of the Board and the Management. The day-to-day operations and overall management of the Company are entrusted to the Managing Director, who leads the executive team. The Managing Director serves as the principal link between the Board and Management and is responsible for providing strategic leadership and evaluating the performance of other senior executives.

As the Chair of the Board and shareholder meetings, the Managing Director plays a pivotal role in guiding the Board's deliberations and ensuring effective communication among its members. He is also responsible for overseeing matters related to corporate governance, Board composition, the effectiveness of Board committees, and the performance of individual directors.

In addition, the Managing Director actively monitors industry trends and standards, identifies growth and acquisition opportunities, and fosters strong relationships with customers, shareholders, and market participants, all with the objective of driving shareholder value and realizing the Company's long-term vision.

III. Board Meeting & Procedures

a) Number of Board meetings held with dates

The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary. The Board being represented by directors from various places, it may not be possible for all of them to be physically present at all meetings. Hence, the Company provides video / teleconferencing facilities to enable their participation. Four (04) Board Meetings were held during the year and the gap between two

meetings did not exceed 120 days (One Hundred and Twenty days). Dates on which Board Meetings were held in each quarter are as follows:

Quarter	Date of Meetings
First	April 26, 2024
Second	August 07, 2024
Third	November 12, 2024
Fourth	February 07, 2025

b) Meeting of independent directors

Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the independent directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of the Management. During the year, the independent directors met on 7th February, 2025 inter alia, to discuss:

- (i) Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- (ii) Evaluation of the performance of the Chairman of the Company, considering the views of the Executive and Non-Executive Directors.
- (iii) Evaluation of the quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Name	No. of Meeting During the Financial Year 2024-2025	
	Held	Attended
Mr. Brij Mohan Mohta	1	1
Mrs. Stuti Pithisaria	1	1
Mr. Prateek Chaudhary	1	1

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

c) Recording minutes of proceedings of Board and Committee meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

d) Familiarization Programmes for Board Members

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations

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

e) Certificate of Company Secretary in practice

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

IV. Board Committees

Currently, there are five Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee and Corporate Social Responsibility and Sustainability Committee. The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. Meetings of Board Committees are normally convened by the respective Committee Chairman. All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose.

a) Audit Committee

- (i) The Audit Committee provides reassurance to the Board on the existence of an effective internal control environment that ensures:

efficiency and effectiveness of operations, both domestic and overseas.

safeguarding of assets and adequacy of provisions for all liabilities.

reliability of financial and other management information and adequacy of disclosures.

compliance with all relevant statutes.

- (ii) The role of the Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and Risk Management Systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. To review the functioning of the Whistle Blower Mechanism;
 19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee. The Company Secretary of the Company acts as Secretary of the Audit Committee.
 21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (iii) The Audit Committee presently comprises of four Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the Secretary to the Committee.

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

Name	Category	No. of Meetings during the year 2024-2025	
		Held	Attended
Mr. Brij Mohan Mohta - Chairman	Independent, non-executive	4	4
Mr. Suraj Ratan Mundhra - Member	Non-Independent, Non-Executive	4	4
Mr. Prateek Chaudhary - Member	Independent, non-executive	4	4
Mrs. Stuti Pithisaria - Member	Independent, non-executive	4	4

- (iv) Four meetings of the Audit Committee were held during the Financial Year 2024-2025. The dates on which the said meetings were held in each quarter are as follows:

Quarter	Date of Meetings
First	April 26, 2024
Second	August 07, 2024
Third	November 12, 2024
Fourth	February 07, 2025

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

b) Nomination and Remuneration Committee

- (i) The role of the Committee includes the following:

- Formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- The Committee while formulating the policy will ensure that—
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and the Company shall disclose the Remuneration Policy and the evaluation criteria in its Annual Report.
- Recommend & Review succession plan for Managing Director.
 - Review and approve succession plan for Senior Management.
- Such other matters as Board may from time to time request the Nomination and Remuneration Committee to examine and recommend / approve.

- (ii) The Nomination and Remuneration Committee presently comprises of three Independent Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the secretary to the Committee. The composition of the Nomination and Remuneration Committee is given below:

Name	Category	No. of Meetings during the year 2024-2025	
		Held	Attended
Mr. Brij Mohan Mohta, Chairman	Independent, non-executive	1	1
Mr. Prateek Chaudhary, Member	Independent, non-executive	1	1
Mrs. Stuti Pithisaria, Member	Independent, non-executive	1	1

- (iii) One meeting was held during the financial year 2024-2025 on 26th April 2024.

- (iv) Nomination And Remuneration Policy-

1. The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 26th April, 2024. The Policy is made available on the Company's website at www.arclorganics.com

2. Remuneration / Commission:

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

3. Sitting Fees:

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

4. Commission:

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

5. Stock Options:

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

6. Annual Performance Evaluation of the Board:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees and Stakeholders Relationship Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board's culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The entire Board carried out the performance evaluation of the Independent Directors. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel (KMP) and the Senior Management. The Directors expressed their satisfaction with the evaluation process.

(v) Details of Remuneration received by the Directors for the year ended March 31, 2025:

1. Non-Executive Directors: Remuneration by way of sitting fees for attending the meetings of Board/Committee thereof were paid as follows: -

Sl. No	Name of Directors	Amount (₹)
1.	Mr. Brij Mohan Mohta	1,00,000
2.	Mrs. Stuti Pithisaria	2,00,000
3.	Mr. Prateek Chaudhary	2,00,000

Pursuant to Section 197(5) of the Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, sitting fees payable to Non-Executive Directors per Board/Committee Meeting is Rs. 50,000/-.

2. Managing Director: Details of Remuneration paid to Managing Director is as follows:

Name	Salary & Other Allowances
Mr. Suraj Ratan Mundhra	48,00,000

c. Stakeholders Relationship Committee

(i) The primary objectives of the Committee are to:

1. Consider and resolve the security holders' concerns or complaints.
2. Monitor and review the investor service standards of the Company.
3. Take steps to develop an understanding of the views of shareholders about the Company, either through direct interaction, analysts' briefings or survey of shareholders.
4. Approves transmission of shares, sub-division / consolidation / renewal of share certificates, issue of duplicate share certificates.

(ii) The Stakeholders Relationship Committee presently comprises of three Independent Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the secretary to the Committee. The composition of the Stakeholders Relationship Committee is given below:

Name	Category	No. of Meeting During the Financial Year 2024-2025	
		Held	Attended
Mr. Brij Mohan Mohta	Chairman	1	1
Mrs. Stuti Pithisaria	Member	1	1
Mr. Prateek Chaudhary	Member	1	1

(iii) One Meeting of Stakeholders Relationship Committee was held during the financial year 2024-2025 on 7th February, 2025.

(iv) The details of Complaints from stakeholders are as follows: -

Years	Complaints outstanding as on 01.04.2024	Complaints Received	Complaints Resolved	Complaints pending as on 31.03.2025
2024-2025	Nil	7	7	0

d. Corporate Social Responsibility Committee

(i) The primary objective of the Committee is to assist the Board in fulfilling its corporate social responsibility. The Committee has overall responsibility for:

1. Identifying the areas of CSR activities.
2. Recommending the amount of expenditure to be incurred on the identified CSR activities.
3. Implementing and monitoring the CSR Policy from time to time.
4. Formulating a CSR annual action plan and recommending it to the Board.
5. Reviewing the Company's CSR initiatives and programs.
6. Coordinating in implementing programs and executing initiatives as per the CSR policy of the Company.
7. To review CSR reporting / disclosures as may be required under various statutes.

(ii) The Corporate Social Responsibility Committee presently comprises of three Independent Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the secretary to the Committee. The composition of the Corporate Social Responsibility Committee is given below:

Name	Category	No. of Meeting During the Financial Year 2024-2025	
		Held	Attended
Mr. Brij Mohan Mohta	Chairman	1	1
Mrs. Stuti Pithisaria	Member	1	1
Mr. Prateek Chaudhary	Member	1	1

(iii) One Meeting of Corporate Social Responsibility Committee was held during the financial year 2024-2025 on 7th February, 2025.

V. General Body Meetings

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

Financial Year	2021-2022	2022-2023	2023-2024
Date	September 16, 2022	September 29, 2023	June 21, 2024
Time	3:30 P.M.	3:30 P.M.	3:30 P.M.

Venue	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) at the Registered Office of the Company at Rampur Budge Budge Trunk Road Kolkata - 700141	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) at the Registered Office of the Company at Rampur Budge Budge Trunk Road Kolkata - 700141	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) at the Registered Office of the Company at Rampur Budge Budge Trunk Road Kolkata - 700141
Whether Special Resolution passed	Yes	Yes	Yes

b) Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the financial year ended 31st March, 2025.

c) Special Resolution passed last year through postal ballot – details of voting pattern and procedure thereof

Nil

VI. Disclosure by the Management to the Board

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

- The details of related party transactions entered into by the Company during the year are provided in the ‘Notes to the Financial Statements’, forming part of the Report and Accounts. Further, the Board has approved a policy for related party transactions which has been uploaded on the Company’s website at <https://arclorganics.com/>
- There was no significant instance of non-compliance on any matter related to the capital market, during the last three years.
- Vigil Mechanism - Your Company has established a mechanism called “Vigil Mechanism” for employees to report to the management instances of unethical behavior actual or suspected, fraud or violation of Company’s code of conduct or ethics policy. The policy is available on the website of the Company at <https://arclorganics.com/>
- Familiarization Programme for Independent Directors- Company has formulated a Familiarization Programme for Independent Directors and the details of which are disclosed on the Company’s website <https://arclorganics.com/>
- No fund has been raised from the public during the last three years.

VII. Subsidiary Company

As on 31st March, 2025 your Company has 7 Wholly owned Subsidiary Companies: -

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

All subsidiaries of the Company are managed by their respective Board of Directors in the best interest of those companies and their shareholders. Audit Committee of your Company reviews the financial statements of the Subsidiary Company in each meeting. Minutes of the Board Meetings of the Subsidiary Company are considered at Board Meetings of your Company and at regular intervals, significant transactions, arrangements entered into by the Subsidiary Company are placed at the Board Meetings of your Company.

VIII. Means of Communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Financial results of the Company are published in the newspapers as follows:

Quarterly and half-yearly results:	<p>Published in the newspapers:</p> <p>i) First Quarter ended on June 30, 2024 unaudited results published in Business Standard (English) and Arthik Lipi (Bengali) on 08-08-2024.</p> <p>ii) Second Quarter and half year ended September 30, 2024 unaudited results published in Business Standard (English) and Arthik Lipi (Bengali) on 13-11-2024.</p> <p>iii) Third Quarter and nine months ended December 31, 2024 unaudited results published in Business Standard (English) and Arthik Lipi (Bengali) on 08-02-2025.</p> <p>iv) Fourth Quarter and year ended March 31, 2025 audited results published in Business Standard (English) and Arthik Lipi (Bengali) on 14-05-2025.</p>
Newspapers in which results are normally published:	Business Standard (English), Arthik Lipi (Bengali).
Any website, where displayed:	The results are displayed on the Company's website at https://arclorganics.com/

Whether it also displays official news releases:	Yes
Management's Discussions & Analysis forms part of this Annual Report:	Yes

IX. General Shareholders' Information

(i) Annual General Meeting	
Date	11 th July, 2025
Time	3:30 P.M.
Venue	The Company is conducting AGM through VC / OAVM pursuant to the MCA Circular dated December 28, 2022 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
(ii) Financial Year	April 01 st 2024 to March 31 st 2025
(iii) Date of Book Closure	July 4 th 2025 to July 11 th 2025
(iv) Listing on Stock Exchange	Equity shares of the Company are listed on BSE Limited (BSE)
(v) Payment of Annual Listing Fees:	The Annual Listing Fees for the Financial year 2024 – 2025 has been paid to BSE Limited (BSE)
(vi) Scrip Code	543993
(vii) ISIN Number for NSDL / CDSL	INE372M01010
(viii) Registrar and Transfer Agents	M/s. MUFG Intime India Pvt. Ltd. C 101, Embassy 247, L. B. S. Marg, Vikhroli (West), Mumbai – 400083 Phone: (022) 4918-6000 Fax: (033) 2248-4787 Email: mumbai@linkintime.co.in

(X) Market Price Information

The following table gives the monthly high and low prices of the Equity shares traded at BSE during the Financial year 2024-2025

Month	Volume Traded	High Price	Low Price
Apr - 24	500	48.69	45.47
May - 24	257	56.35	51.12
Jun - 24	203	71.89	59.16
Jul - 24	151	74.78	73.32
Aug - 24	288	102.18	76.27
Sept - 24	322	114.95	104.2
Oct - 24	1695	157.15	117.2
Nov - 24	35675	224	160.25
Dec - 24	247736	277.65	228.45
Jan - 25	143128	318.2	270.25
Feb - 25	58535	282	171.6
Mar - 25	17379	257	199.95

(XI) Corporate Filing and Dissemination System (CFDS)

Companies are now required to upload the quarterly financial results under Corporate Filing and Dissemination System (CFDS). Your Company has been duly registered under the said system and all data relating to the quarterly financial results along with corporate governance report and shareholding pattern are filed under the said system.

(XII) Share Transfer System

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

(XIII) Shareholding as on March 31, 2025:
Category of Shareholding as on March 31, 2025

Category of Shareholders	No. of Shares held	% of Capital
Bodies Corporate (Promoter Group)	12,73,380	15.92
Other Bodies Corporate	14,01,359	17.52
Promoters	42,63,990	53.30
Financial Institution	59,950	0.75
Non-resident Indians	11,380	0.14
Resident Individual	9,88,894	12.36
Hindu Undivided Family	1,047	0.01
Total	80,00,000	100.00

* Details of shareholding pattern given above are based on the shareholding filed with the Stock Exchange as at 31st March, 2025

Distribution of Shareholding as on March 31, 2025

No. of Shares held	No. of Shareholders	Total no. of Shares held
Upto 500	7666	5,89,066
501-1,000	108	82,860
1,001-2,000	59	87,276
2,001-3,000	25	61,766
3,001-4,000	7	24,318
4,001-5,000	4	19,450
5,001-10,000	8	45,500
10,001 and above	23	70,89,764
Total	7900	80,00,000

(XIV) Dematerialization of shares

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2025, 57,95,740 Equity shares

out of 80,00,000 Equity Shares of the Company, forming 72.45% of the Company's paid-up capital is held in the dematerialized form. Majority of demat shares are with Central Depository Services (India) Limited. The status of shares held in demat and physical format is given below.

Particulars	As on 31 st March, 2025		As on 31 st March, 2024	
	No. of Shares	Percentage	No. of Shares	Percentage
Shares in Demat Form	5795740	72.45	5767745	70.84
NSDL	127886	-	111826	-
CDSL	5667854	-	5655919	-
Shares in Physical Form	2204260	27.55	2232255	29.16
Total	8000000	100	8000000	100

(XV) Reconciliation of Share Capital Audit Report

Securities and Exchange Board of India vide circular no. CIR/MRD/DP/30/2010 dated September 6, 2010 directed all the issuer Companies to submit a Reconciliation of Share Capital Audit Report (Report) reconciling the total shares held in both the depositories viz., NSDL and CDSL and in Physical Form with the Total Issued /Paid Up Capital. The report replaced the earlier Secretarial Audit Report.

The said report, duly certified by a Company Secretary in Practice is submitted to the Stock Exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

(XVI) Policy on Insider Trading:

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

(XVII) Plant location:

The Company is engaged in the business of Specialty Chemical and the location of the plants are at its registered office ARCL Organics Ltd, Rampur Budge Budge Trunk Road, Kolkata – 700141.

(XVIII) Investor Correspondence:

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

(XIX) Other Disclosures:
a) Information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Mr. Rajesh Mundhra (DIN No.00658649) is a distinguished postgraduate from the esteemed University of Hartford. With over 25 years of experience in the Chemical industries, he has honed his expertise in various domains, including production, product development, maintenance, factory administration, and marketing. His professional focus centers around fully optimizing resource utilization possible, showcasing his commitment to efficiency and effectiveness in business operations. Furthermore, Mr. Mundhra maintains a close and influential relationship with the Indian Plywood Industry, underscoring his deep involvement and understanding of the sector. With his extensive knowledge and multifaceted skills, Mr. Rajesh Mundhra continues to be a driving force in the Chemical industry, contributing significantly to the growth and success of businesses he is associated with.

- b) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is committed to providing and promoting a safe and healthy work environment for all its employees. As no complaints were filed during the year.
- c) In order to make the employees of the Company knowledgeable and committed to follow highest level of integrity and to outline the Company's value and principles and to set out the standards of the professional and ethical behavior expected of the employees in the organization, Board of Directors of your Company have laid down Code of Business Conduct and Ethics.
Affirmation of Compliance to the Code has been made by the Board Members and Senior Management of the Company.
- d) Compliance Certificate from Auditor Regarding Compliance of Conditions of Corporate Governance. The Company has obtained compliance certificate from the Practicing Company Secretaries on corporate governance. The same is reproduced at the end of this report and marked as **Annexure III**.

e) Details of total fees paid to Statutory Auditors

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

Type of Service	Financial Year 2024-25 (Amount is ₹)
Statutory Audit Fees	4,20,000
Total	4,20,000

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

Certificate from Mr. Navneet Bagri, CFO, in terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2025 was placed before the Board of Directors of the Company in its meeting held on 13th May, 2025 and the same is reproduced at the end of this report and marked as **Annexure-II**.

Annexure I

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

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

I hereby declare that all the Board Members and Senior Management Personnel have affirmed their compliance with the aforesaid Code for the Financial Year ended 31st March 2025.

For and on behalf of the Board of Directors

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

Registered Office
Rampur Budge Budge Trunk Road,
Kolkata – 700 141
Date: 13.05.25

Annexure II**Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification**

To
The Board of Directors,
ARCL Organics Limited

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

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2025 and to the best of our knowledge and belief, we state that:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i) significant changes, if any, in the internal control over financial reporting during the year;
 - ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 13.05.25
Place: Kolkata

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

Navneet Bagri
Chief Financial Officer

Annexure III**Practicing Company Secretaries' Certificate on Corporate Governance
CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

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

I have examined the compliance of conditions of Corporate Governance by ARCL Organics Limited ("the Company") for the year ended on March 31, 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"]

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

NAND KISHORE SHARMA
MEM No: A32530 | COP No: 20657
UDIN: A032530G000342510
DATE: 14.05.25
PLACE: KOLKATA

ANNEXURE IV
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ARCL Organics Limited** having **CIN: L24121WB1992PLC056562** and having registered office at Rampur Budge Budge Trunk Road, Kolkata – 700 141 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

NAND KISHORE SHARMA
MEM No: A32530 | COP No: 20657
UDIN: A032530G000342521
DATE: 14.05.25
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 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements for the year ended on that date including a summary of material accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit (including Other Comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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

Management's Responsibility for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
 15. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 of the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither proposed any dividend in the Previous year or in the current year nor paid any interim dividend during the year.

- f. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

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

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and Equipment.
- (A)
- (a) The Company has maintained proper records showing full particulars of intangible assets.
- (B)
- (b) As explained to us, the company has a system of verifying all its major Property, Plant & Equipment over a period of three years. The Property, Plant & Equipment so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties produced to us, the immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us and the records of the company examined by us, the Company has not revalued any of its Property, Plant and Equipment or Intangible assets during the year.
- (e) According to the information and explanations given to us no proceeding has been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us and the records of the company examined by us, quarterly statement of current assets in respect of its working capital borrowing are in agreement with the books of accounts of the company.
- (iii) (a) According to the information and explanations given to us and based on the audit procedures conducted by us, the company has not granted loans to subsidiaries companies during the year hence reporting under this clause is not applicable.
- (A)

- (b) The Company has granted unsecured loans to parties other than subsidiary companies, and the summarized detail of the same has been depicted in the following table.
- (B)

(Rs in lakhs)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year			188.28	
Balance outstanding as at balance sheet date in respect of above cases.			171.40	

- (b) The Company is charging interest against loans and the terms and conditions of these loans in our opinion are not prima-facie prejudicial to the interests of the Company.
- (c) There is no stipulation regarding recovery of loans as these loans are repayable on demand.
- (d) The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.
- (e) Since all the above loans are repayable on demand, reporting under this clause is not applicable.
- (f) According to information and explanation given to us and records of the Company examined by us, details of loans repayable on demand are as per details given below.

(Rs. In lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	171.40	-	-
Total (A+B)	171.40	-	-
Percentage of loans/ advances in nature of loans to the total loans	100%	-	-

- (iv) According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Further, no orders have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal which could impact the Company.

- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out any detailed examination of such records and accounts.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of customs, cess and any other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, value added tax and sales tax as at 31st March, 2025 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
Municipal Act 1993	Property Tax	423.73	2000-01 to 31.03.23	High Court Kolkata
Income tax Act, 1961	Income Tax	316.97	2008-09 to 2014-15	Commissioner (Appeal)
Central Excise Act, 1944 and Finance Act, 1994	Excise Duty, Service Tax	17.68	Various years from 2003-04	Commissioner (Appeal)
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

- An amount of Rs. 528.64 lakhs has been paid during the year under settlement for which final order/settlement is yet to be done.

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or in the payment of interest to lenders during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, hence reporting under this clause is not applicable.

- (f) According to the information and explanation given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, hence reporting under this clause is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under this clause is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received any complaints from any whistle-blower during the year (and up to the date of this report) and hence reporting under this clause is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under this clause is not applicable.
- (xiii) According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 29(b) of the standalone financial statements for the year under audit.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a) & (b) is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under this clause is not applicable.
- (xvii) The Company has not incurred cash losses during the current and the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) & According to information and explanation given to us and records of the Company
 (b) examined by us, there is no fund lying unspent, hence reporting under clause 3(XX)(a) & (b) is not applicable.
- (xxi) According to the explanation and information given to us, and based on reports of components auditor, there has been no qualification or adverse report in CARO 2020 in any subsidiaries.

ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT

To the Members of ARCL ORGANICS LIMITED

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

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

1. We have audited the internal financial controls over financial reporting of **ARCL ORGANICS LIMITED** ("the Company") as of 31st March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal

financial control over financial reporting, assessing the risk that a material Weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

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

Meaning of Internal Financial Control over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:
 - 1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of company; and
 - 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the company considering, the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

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

(Ranjan Singh)
Partner
Membership Number: 305423
UDIN: 25305423BMNYVA5919

Place: Kolkata
Date: 13.05.2025

Balance Sheet as at 31st March 2025				(₹ in Lakhs)
Particulars	Note No.	As at 31st March 2025	As at 31st March 2024	
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	6671.68	6192.93	
Right of Use	2	31.59	27.78	
Financial Assets				
(i) Investments	3	126.01	126.59	
(ii) Other financial Assets	4	36.12	70.87	
Total Non - Current Assets		6865.39	6418.17	
Current assets				
Inventories	6	1419.77	2211.66	
Financial Assets				
(i) Trade receivables	7	5161.93	3414.82	
(ii) Cash and cash equivalents	8	46.19	332.39	
(iii) Other Bank Balances	9	1232.51	701.66	
(iv) Loans	10	208.34	282.82	
(v) Other Financial Assets	4	181.59	36.23	
Other current assets	12	970.56	1438.80	
Total Current Assets		9220.90	8418.37	
Total Assets		16086.29	14836.53	
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	13	800.00	800.00	
Other Equity	14	6765.11	5628.40	
Total equity		7565.11	6428.40	
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	15	1759.75	1774.46	
(ia) Lease Liabilities		-	9.49	
Provisions	17	240.49	219.01	
Deferred Tax Liabilities (Net)	5	468.42	332.28	
Total non-current liabilities		2468.66	2335.25	
Current liabilities				
Financial Liabilities				
(i) Borrowings	15	1749.87	1112.58	
(ia) Lease Liabilities		34.02	19.24	
(ii) Trade payables	18			
Outstanding dues to Micro and Small enterprises		-	-	
Outstanding dues to parties other than Micro and Small enterprises		3784.85	4201.93	
(iii) Other financial liabilities	16	290.58	224.78	
Provisions	17	213.83	188.81	
Other current liabilities	19	371.60	67.67	
Current Tax Liability Net	11	(392.25)	257.87	
Total Current Liabilities		6052.51	6072.88	
Total liabilities		8521.17	8408.13	
Total Equity & Liabilities		16086.29	14836.53	
Significant accounting policies	1			
Additional notes to financial statements	27- 50			
The above balance sheet should be read in conjunction with the accompanying notes In terms of our report of even date				
For and on behalf of the Board				
<div> For L B Jha & Co Chartered Accountants (Firm registration no. 301088E) </div> <div> Suraj Ratan Mundhra Managing Director DIN-00681223 </div> <div> Mukesh Mundhra Director DIN-00658602 </div> <div> Partner Ranjan Singh (Membership no. 305423) </div> <div> Navneet Bagri Chief Financial Officer </div> <div> Subhankar Paul Company Secretary Membership No. A63772 </div> <div> Place: Kolkata </div> <div> Date: 13/05/2025 </div>				

Statement of Profit and loss as on 31st March 2025				(₹ in Lakhs)
Particulars	Notes	As at 31st March 2025	As at 31st March 2024	
I. Revenue from operations	20	25059.27	19072.39	
II. Other income	21	235.33	269.62	
III. Total Revenue (I + II)		25294.60	19342.01	
IV. Expenses:				
Cost of materials consumed	22	17882.79	13833.41	
Changes in inventories of work-in-progress, stock-in-trade and finished goods and purchase of stock in trade	23	(596.06)	87.89	
Employee benefit expense	24	1235.70	981.63	
Finance costs	25	486.97	415.90	
Depreciation and amortization expense	2	520.92	429.13	
Other expenses	26	2969.00	2212.80	
Total expenses		23691.45	17960.76	
V. Profit before tax (III - IV)		1603.15	1381.25	
Income tax expenses				
- Current tax		291.91	311.39	
- MAT Credit		-	-	
- Deferred tax		136.14	-.31	
Total tax expense		428.05	311.08	
Profit after tax		1175.10	1070.17	
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
(a) Remeasurements Gains/(Losses) on Defined Benefit Plan		(37.81)	(6.22)	
(b) Gains/(Losses) on fair valuation of Equity Instruments		(.58)	1.56	
Other comprehensive income for the year, net of tax		(38.39)	(4.66)	
Total comprehensive income for the year		1136.71	1065.51	
Earnings per equity share attributable to owners of ARCL Organics Limited:				
Basic earnings per share		14.69	13.38	
Diluted earnings per share		14.69	13.38	
Summary of Significant Accounting Policies	1			
Additional notes to financial statements	27- 50			
In terms of our report of even date				
<div> <div> For L B Jha & Co Chartered Accountants (Firm registration no. 301088E) Partner Ranjan Singh (Membership no. 305423) Place: Kolkata Date: 13/05/2025 </div> <div> For and on behalf of the Board <div> Suraj Ratan Mundhra Managing Director DIN-00681223 </div> <div> Mukesh Mundhra Director DIN-00658602 </div> <div> Navneet Bagri Chief Financial Officer </div> <div> Subhankar Paul Company Secretary Membership No.- A63772 </div> </div> </div>				

Cash Flow Statement for the year ended 31st March 2025				(₹ in Lakhs)	
		For the year ended 31st March, 2025		For the year ended 31st March, 2024	
A.	Cash Flow from Operating Activities				
	Net profit before tax as per Statement of Profit and Loss		1603.15		1381.25
	Adjustments for :				
	Depreciation on Tangible Assets	520.92		429.13	
	Interest Income	-73.36		-75.46	
	Interest Expense	388.17		327.99	
	Actuarial Gain/loss transferred to OCI	-38.39		-4.66	
			797.34		677.00
	Operating Profit Before Working Capital Changes		2400.49		2058.25
	Increase / (Decrease) in Trade Payables	-417.09		1459.84	
	Increase / (Decrease) in Other Current Liabilities	303.93		-140.45	
	Increase / (Decrease) in Short Term Provisions	25.02		100.34	
	Increase / (Decrease) in Long Term Provisions	21.48		-21.78	
	Increase / (Decrease) in Other Current financial Liabilities	65.80		74.86	
	Increase / (Decrease) in Other Non Current financial Liabilities	.00		.00	
	(Increase) / Decrease in Other Bank balances	-530.86		-11.32	
	(Increase) / Decrease in Trade receivables	-1747.11		-223.42	
	(Increase) / Decrease in Inventories	791.89		-956.27	
	(Increase) / Decrease in Loans and Advances	74.48		-94.13	
	(Increase) / Decrease in Other Current Assets	-473.79		-549.74	
	(Increase) / Decrease in Other Current Financial Assets	-145.36		-28.92	
	(Increase) / Decrease in Other Non Current financial Assets	34.75		-3.44	
	(Increase) / Decrease in Long Term Loans & Advances	-	-1996.86	-	-394.45
	Cash generated from operations		403.62		1663.80
	Taxes paid (Net of refunds)				
	Net cash Generated/(used) from operating activities (A)		403.62		1663.80
B.	Cash Flow from Investing Activities				
	Purchase of fixed assets	-1003.48		-2104.59	
	Disposal of Fixed Assets			.00	
	Investments in Subsidiaries	.58		-1.56	
	Interest Received	73.36		75.46	
	Net cash from investing activities (B)		-929.53		-2030.70
C.	Cash flow From Financing Activities				
	Proceeds from short - term borrowings	652.08		143.43	
	Proceeds/(Repayment) from long - term borrowings	-24.21		740.48	
	Interest Paid	-388.17	239.71	-327.99	555.92
	Net cash used for financing activities (C)		239.71		555.92
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)		-286.20		189.03
	Cash and Cash equivalent at the beginning of the year		332.39		143.37
	Cash and Cash equivalent at the end of the year		46.19		332.39
	Changes in Cash and Cash Equivalents - Increase/(Decrease)		286.20		-189.03

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

For L B Jha & Co

Chartered Accountants

(Firm registration no. 301088E)

Partner Ranjan Singh

(Membership no. 305423)

Place: Kolkata

Date: 13/05/2025

Suraj Ratan Mundhra

Managing Director

DIN-00681223

Navneet Bagri

Chief Financial Officer

Mukesh Mundhra

Director

DIN-00658602

Subhankar Paul

Company Secretary

Statement of Changes in Equity for the year ended March 2025
A. Equity Share Capital (₹ in Lakhs)

Particulars	Notes	Amount
As at 1 April 2023		800.00
Changes in equity share capital		
As at 31 March 2024	13	800.00
Changes in equity share capital		
As at 31 March 2025		800.00

B. Other Equity (₹ in Lakhs)

Particulars	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 31st March 2023		1122.50	3502.26	-61.80	-.07	4562.90
Profit for the year		-	1070.17	-	-	1070.17
Other comprehensive income		-	-	-6.22	1.56	-4.66
Total comprehensive income for the year		-	1070.17	-6.22	1.56	1065.51
Balance at 31st March 2024	14	1122.50	4572.43	-68.02	1.49	5628.40
Profit for the year		-	1175.10	-	-	1175.10
Other comprehensive income		-	-	-37.81	-.58	-38.39
Total comprehensive income for the year		-	1175.10	-37.81	-.58	1136.71
Balance at 31st March 2025		1122.50	5747.53	-105.83	.91	6765.11

For L B Jha & Co

Chartered Accountants

(Firm registration no. 301088E)

Partner Ranjan Singh

(Membership no. 305423)

Place: Kolkata

Date: 13/05/2025

Notes forming part of the standalone financial statements
Note 1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions
A. Corporate information

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

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

B. 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 the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the act.

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

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

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

2. Use of estimates

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

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

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

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets

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

3. Current and Non-current Classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

4. Property, Plant and Equipment (PPE)

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

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

Any subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in profit or loss as incurred.

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

5. Depreciation

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

6. Impairment of Non-Financial Assets

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

7. Investment in subsidiaries, associates and joint ventures

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

8. Cash and Bank Balances

Cash and bank balances consist of:

(i) Cash and cash equivalents

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

(ii) Other bank balances

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

9. Inventories

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

10. Financial Instruments

Financial Asset Initial Recognition

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

Subsequent Measurement

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

Financial Asset at Fair value through Profit or Loss

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

Financial Asset measured at Amortized Cost

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

Financial Asset at Fair value through OCI

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

Financial Asset Derecognition

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

Financial Liabilities – Initial recognition and measurement

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

Subsequent Measurement

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

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

Measurement of Fair Values

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

Trade Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. These amounts are secured and unsecured. Trade and other payables are presented as current

liabilities unless payment is not due within 12 months after the reporting period. Also, the segregation has been made for the micro, small and medium enterprises creditors.

11. Fair Value Measurement

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

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

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

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

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

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

12. Borrowings

Borrowings are recognized at fair value. They are classified as current liabilities unless the company has the right to defer the settlement of the liability for at least 12 months after the reporting period. Borrowings are removed from the balance sheet when the obligations 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 out flow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a Contingent Liability is made when there is a possible obligation from a past event but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company

14. Revenue Recognition

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

(i) Sale of Goods

Revenue from the sale of goods is recognized when the Company satisfies the performance obligation in accordance with the provisions of contract with customer. This is achieved when control of the product has been transferred to the customer, which is generally determined when title, ownership, risk of 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 recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the

right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

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

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

Fixed payments, including in-substance fixed payments;

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

Amounts expected to be payable under a residual value guarantee; and

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

Short-term leases and leases of low-value assets

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

b. Where the Company is the lessor

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

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

23. Operating Segments

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

24. Standard notified but not yet effective:

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

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.

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.

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

Particulars	Closing gross carrying amount as on 01.04.2024	Additions	Disposals	Closing gross carrying amount as on 31.03.2025	Accumulated depreciation as on 01.04.2024	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2025	Net carrying amount as at 31.03.2025
Freehold Land	485.36	-	-	485.36	-	-	-	-	485.36
Buildings	459.19	17.88	-	477.07	81.95	.71	-	82.66	394.41
Office Building	2.87	101.92	-	104.79	.33	16.45	-	16.77	88.01
Furniture and Fixtures	118.61	6.35	-	124.95	33.74	10.42	-	44.16	80.79
Car	152.91	.47	-	153.38	76.23	15.89	-	92.11	61.27
Tanker	622.00	.00	-	622.00	188.47	70.66	-	259.13	362.87
Electric Installation	94.18	64.01	-	158.19	18.23	14.97	-	33.20	124.99
Air Conditioner	15.68	2.61	-	18.30	5.96	2.83	-	8.79	9.51
Computer	45.77	10.12	-	55.89	24.57	7.97	-	32.54	23.35
Software	57.92	6.85	-	64.76	27.60	19.24	-	46.84	17.92
Office Equipments	29.16	32.29	-	61.45	9.26	4.69	-	13.95	47.50
Plant & Machinery	5357.21	719.11	-	6076.32	862.58	325.57	-	1188.15	4887.99
R&D Equipment	93.51	5.32	-	98.83	12.34	6.23	-	18.57	80.26
Total	7534.36	966.92	-	8501.29	1341.25	495.63	-	1836.88	6664.22
Ind-As 116	64.56	24.04	-	88.60	36.78	20.23	-	57.01	31.59
Total	7598.92	990.96	-	8589.88	1378.03	515.86	-	1893.89	6695.81

Particulars	Gross carrying amount as on 01.04.2023	Additions	Disposals	Closing gross carrying amount as on 31.03.2024	Accumulated depreciation as at 01.04.2023	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2024	Net carrying amount as at 31 March 2024
Freehold Land	485.36	-	-	485.36	-	-	-	.00	485.36
Buildings	373.27	85.92	-	459.19	69.73	12.22	-	81.95	377.24
Office Building	2.87	-	-	2.87	.27	.05	-	.33	2.54
Furniture and Fixtures	88.70	29.90	-	118.61	25.25	8.50	-	33.74	84.86
Car	152.91	-	-	152.91	57.25	18.98	-	76.23	76.68
Tanker	381.86	240.14	-	622.00	125.21	63.26	-	188.47	433.53
Electric Installation	82.46	11.72	-	94.18	10.03	8.20	-	18.23	75.95
Air Conditioner	9.81	5.88	-	15.68	3.96	1.99	-	5.96	9.73
Computer	30.01	15.77	-	45.77	18.12	6.45	-	24.57	21.20
Software	57.92	.00	-	57.92	9.13	18.47	-	27.60	30.32
Office Equipments	16.78	12.38	-	29.16	5.30	3.95	-	9.26	19.90
Plant & Machinery	3683.83	1673.38	-	5357.21	596.76	265.82	-	862.58	4494.63
R&D Equipment	89.69	3.81	-	93.51	6.40	5.94	-	12.34	81.17
Total	5455.46	2078.90	-	7534.36	927.41	413.84	-	1341.25	6193.11
Ind-As 116	38.69	25.87	-	64.56	21.49	15.29	-	36.78	27.78
Total	5494.15	2104.77	-	7598.92	948.90	429.13	-	1378.03	6220.89

Note To The Financial Statements For The Year Ended 31 March, 2025

Note 3 Investments

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non - Current Investments		
Investment in Equity Instruments		
(A) Investment in Subsidiaries - Unquoted (at Cost)		
(i) ARCL Petrochemicals Ltd	19.56	19.56
194338 shares (31/03/2023- 194338) shares of Rs. 10 each		
(ii) Ocilim Advisory Services Pvt Ltd	15.14	15.14
154343 shares (31/03/2023- 154343) shares of Rs. 10 each		
(iii) Wide Range Merchants Pvt Ltd	20.45	20.45
216843 shares (31/03/2023- 216843) shares of Rs. 10 each		
(iv) Allied Maritime & Infra Engineering Pvt Ltd	20.80	20.80
194343 shares (31/03/2023- 194343) shares of Rs. 10 each		
(v) Nocnex Chemicals Pvt Ltd	15.43	15.43
154343 shares (31/03/2023- 154343) shares of Rs. 10 each		
(vi) Yocnex Chemicals Pvt Ltd	15.43	15.43
154343 shares (31/03/2023- 154343) shares of Rs. 10 each		
(vii) Suksess Chemicals Pvt Ltd	15.43	15.43
154343 shares (31/03/2023- 154343) shares of Rs. 10 each		
	122.26	122.26
(B) Investment in Others - Quoted* (FVTOCI)		
Bank of Baroda		
1640 Equity shares (31/03/2023- 1640)	3.75	4.33
	3.75	4.33
Total (A+B)	126.01	126.59

Note 4 Other financial Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non Current		
Security Deposit with Other	36.12	70.87
Total	36.12	70.87
Current		
Security Deposits	181.59	36.23
Total	181.59	36.23

Note 5 Deferred tax Liability (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Deferred Tax Assets:		
Timing difference on account of:		
Defined benefit obligations	86.54	88.27
Deferred Tax Assets (A)	86.54	88.27
Less : Deferred Tax Liabilities		
Timing difference on account of:		
Property, plant and equipment	-554.96	-905.41
Deferred Tax Liabilities (B)	-554.96	-905.41
Deferred Tax Asset (Net)	-468.42	-817.15

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

Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw Materials	153.57	1132.46
Finished goods	1111.73	846.39
Stores and spares	154.46	232.81
Total	1419.77	2211.66

* As taken, valued and certified by the management

Note 7 Trade Receivables

Particulars	As at 31st March, 2025	As at 31st March, 2024
Considered Good- Secured	-	-
Considered Good- Unsecured	5161.93	3414.82
Considered Good- Doubtful	-	-
Total	5161.93	3414.82

Note 7 Trade Receivables (Cont)

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					For 2024-25
	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	4484.10	33.66	298.79	222.70	122.68	5161.93
(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					For 2023-24
	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	3141.67	72.57	35.23	33.53	131.83	3414.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note 8 Cash and Cash Equivalents
(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Balances with banks		
(i) In Current Account	39.56	320.92
(b) Cash on hand	6.64	11.48
Total Cash and Cash Equivalents	46.19	332.39

Note 9 Other Bank Balances

Particulars	As at 31st March, 2025	As at 31st March, 2024
Earmarked Balances		
-Margin Money (For LC & BG)	118.58	140.38
Other Deposit Account (For Collateral Security)	1113.93	561.27
-Deposit accounts with maturity beyond three months upto twelve months		
Total	1232.51	701.66

Note 10 Loans

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non Current		
Loan to Others	-	-
Total	-	-
Current		
Loan to Others	117.61	282.82
Loan to Corporate	90.73	.00
Total	208.34	282.82

Note 11 Current Tax Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non Current		
Advance tax including TDS & MAT Credit	857.89	486.26
Less: Prov. For Income Tax	-465.64	-744.13
Total	392.25	-257.87

Note 12 Other Current Assets

Particulars	As at 31st March, 2025	As at 31st March, 2024
(i) Advances other than Capital Advances		
Advance to Creditors	279.45	327.86
Other Receivables	85.07	214.68
Paid for NCLT purchase of RCHEM Pvt Ltd. (Ref: Note - 40B)	330.21	311.25
	694.74	853.79
(ii) Others		
CENVAT/ Service Tax/ Sales Tax recoverable	101.37	101.37
GST Input (net of Output)	174.46	483.64
	275.82	585.00
Total	970.56	1438.80

Note 13 Share Capital

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number	Amount	Number	Amount
<u>Authorised</u>				
Equity shares of Rs.10 each	3,37,50,000	3375.00	3,37,50,000	3375.00
		33,75,00,000		33,75,00,000
<u>Issued, Subscribed & Paid up</u>				
Equity shares of Rs.10 each	80,00,000	800.00	80,00,000	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, 2025		As at 31st March, 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SUSHILA DEVI MUNDHRA	10,31,175	12.89	10,31,175	12.89
SURAJ RATAN MUNDHRA	7,91,627	9.90	7,91,627	9.90
SURAJ RATAN MUNDHRA HUF	6,70,005	8.38	6,70,005	8.38
ARC HOLDINGS LTD	12,23,380	15.29	12,23,380	15.29
MUKESH MUNDHRA	7,00,759	8.76	7,00,759	8.76

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

Promoters Share Holding:

Name of Promoter	As at 31st March, 2025		% Change during the year	As at 31st March, 2024	
	No. of Shares held	% of Holding		No. of Shares held	% of Holding
Sushila Devi Mundhra	1031175	12.89	Nil	1031175	12.89
Suraj Ratan Mundhra	791627	9.90	Nil	791627	9.90
Mukesh Mundhra	700759	8.76	Nil	700759	8.76
Rajesh Mundhra	345840	4.32	Nil	345840	4.32
Suraj Ratan Mundhra HUF	670005	8.38	Nil	670005	8.38
Kapila Mundhra	292331	3.65	Nil	292331	3.65
Vasundhra Mundhra	308047	3.85	Nil	308047	3.85
Ajay Kumar Mimani	37040	0.46	Nil	37040	0.46
Arc Holdings Limited	1223380	15.29	Nil	1223380	15.29
Pbc Carriers Private Limited	137166	1.71	Nil	137166	1.71

Reconciliation of shares outstanding at the beginning and the end of the year:
EQUITY SHARES

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	Number	Amount	Number	Amount
At the beginning of the period	80,00,000	800.00	80,00,000	800.00
Issued during the period	-	-	-	-
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.

Note 14 Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
General Reserve	-	-
Securities Premium Reserve	1122.50	1122.50
Retained earnings	5747.53	5157.73
Other comprehensive income	-104.91	-71.19
Total	6765.11	6209.04

Note 15 Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non - Current		
Secured		
Vehicle loan from Bank (Hypothecation of Vehicle) ⁽¹⁾	306.98	359.92
	306.98	359.92
Unsecured		
Loan from Body Coporate	1089.83	915.52
Loan from NBFC	239.97	267.78
Loan from Other Bank	122.97	231.24
	1452.77	1414.54
Total	1759.75	1774.46
Current		
Secured		
Other loans from banks		
Fund Based - Cash Credit ⁽²⁾	612.52	309.62
Curent Maturity of Long term Debt	160.91	134.88
Unsecured		
Loan from NBFC	812.93	386.63
Loan from Other Bank	163.52	281.45
Total	1749.87	1112.58

⁽¹⁾ EMI amounting to Rs 14769/-per instalments of Car payable in 48 instalments of which 40 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 26058/-per instalments of Car payable in 60 instalments of which 43 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 32465/-per instalments of Car payable in 48 instalments of which 47 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 35033/-per instalments of Car payable in 60 instalments of which 38 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 42581/-per instalments of Car payable in 60 instalments of which 46 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 129686/-per installment per truck for 5 trucks payable in 58 installments of which 20 installments have been paid.

⁽²⁾ Secured by Hypothication of Raw Material , Work in Progress, Finished Goods,Consumable Spares, 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 16 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non - Current		
Advance against Development	-	-
Current		
Sundry liabilities for expense	290.58	224.78
	290.58	224.78
Total	290.58	224.78

Note 17 Provisions

Particulars	As at 31st March, 2025	As at 31st March, 2024
Non - Current		
Provision for Employee Benefits		
(a) Provision for Leave Encashment	41.69	33.87
(b) Provision for Gratuity	198.80	185.14
Total	240.49	219.01
Current		
(a) Provision for Employee Benefits	157.14	104.71
(b) Provision for Gratuity	46.53	71.29
(c) Provision for Leave Encashment	10.17	12.81
Total	213.83	188.81

Note 18 Trade Payables

Particulars	As at 31st March, 2025	As at 31st March, 2024
Outstanding dues to Micro and Small enterprises	-	-
Outstanding dues to parties other than Micro and Small enterprises	3784.85	4201.93
*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	3784.85	4201.93

Particulars	Outstanding for following periods from the due date of payment#				For 2024-25
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	3541.07	195.64	14.81	33.32	3784.85
(iii) Disputed dues – MSME	-	-	-	-	-

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

Ageing is considered from the date of transaction

Disclosure under MSMED act.

a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year

b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)

d. The amount of interest accrued and remaining unpaid at the end of accounting year

e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.

Note 19 Other Current liabilities
(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Statutory Liabilities	32.37	24.32
Advance From Customer	339.23	43.35
Total	371.60	67.67

Note 20 Revenue from Operations

Particulars	As at 31st March, 2025	As at 31st March, 2024
Sale of products (including excise duty)		
Domestic Sales	16680.72	13272.59
Export Sales	8150.93	5672.48
	24831.64	18945.07
Other Operating revenues		
Duty Drawback	81.62	55.98
Export Incentive	146.01	71.35
	227.62	127.32
Total revenue from continuing operations	25059.27	19072.39

Note 21 Other Income

Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest Income		
Bank Interest Received	73.36	54.70
Interest Received from Others	.00	20.76
	73.36	75.46
Other non-operating income		
Others	161.97	194.16
	161.97	194.16
Other Income	235.33	269.62

Note 22 Cost of Raw Materials & Component Consumed
(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Inventory at the beginning of the year	1132.46	158.67
Add:- Purchases	16903.90	14807.20
	18036.36	14965.87
Less:- Inventory at the end of year	153.57	1132.46
Cost of Raw Materials Consumed	17882.79	13833.41

Note 23 (Increase)/Decrease in Inventory

Particulars	As at 31st March, 2025	As at 31st March, 2024
Inventories at the end of the Year		
Finished goods	1111.73	846.39
	1111.73	846.39
Inventories at the beginning of the Year		
Finished goods	846.39	934.28
	846.39	934.28
(Increase)/Decrease In Inventory	-265.35	87.89

Note 24 Employee Benefit Expenses

Particulars	As at 31st March, 2025	As at 31st March, 2024
(a) Salaries,Wages and Incentives	1170.59	903.69
(b) Contribution to Provident and Other funds	54.01	58.44
(c) Staff Welfare Expenses	11.10	19.49
Total	1235.70	981.63

Note 25 Finance Cost

Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest Expense	388.17	327.99
Other Borrowing Cost	98.80	87.91
Total	486.97	415.90

Note 26 Other Expenses
(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
Rent	156.67	74.23
Carriage Outward	297.42	350.75
Research & Development	111.43	100.26
Discount Allowed	-	-
Travelling & Conveyance	131.63	131.32
Bad Debt	-	-
Repairs & Maintenance	-	-
- Machinery	138.15	115.57
- Truck & Tanker	48.09	52.91
Telephone & Postage Expenses	12.97	10.51
Insurance Expenses	13.74	5.97
Filing fees, Rates & Taxes	26.75	23.05
Payment to Auditors		
- Statutory Audit Fees	4.20	4.20
- Tax Audit Fees	.30	.30
- Quarterly Review	1.50	1.00
- Other Matter	-	-
Legal & Consultancy Charges	193.99	195.16
Truck & Tanker Insurance & Other Tax	95.71	98.20
Subscription & Donation	42.97	55.43
Miscellaneous Expenses	337.20	286.44
Export Expenses	1280.49	644.02
Loading & Unloading Expenses	71.00	43.28
Write Off	4.79	-
Total	2969.00	2212.80

Note 27 Earnings per Share

Particulars	As at March 31, 2025	As at March 31, 2024
a) Net profit attributable to the shareholders (PAT)	1175.10	1070.17
b) Weighted average no. of equity share of face value of ₹ 10/- each	80,00,000	80,00,000
Basic earnings per share in Rs.	14.69	13.38
c) Weighted average potential no. of equity shares	80,00,000	80,00,000
Diluted earnings per share in Rs	14.69	13.38

Note 28 Income tax Reconciliation

(₹ in Lakhs)

Reconciliation of Accounting profit and tax expense	As at March 31, 2025	As at March 31, 2024
Profit before tax	1603.15	1381.25
Tax at the Indian tax rate of 29.12% (previous year - 29.12%)	466.84	402.22
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Companies Act Depreciation	151.69	124.96
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Income Tax Act Depreciation	276.57	228.69
Tax effect of other adjustments	50.05	-12.89
Impact of Unabsorbed Dedpreciation	-	-
MAT Impact		
Income Tax Recognized in Profit & Loss account (MAT)	291.91	311.39

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. Rajesh Mundhra, Director - Key Managerial Personnel
- iv) Navneet Bagri, CFO - Key Managerial Personnel
- v) Subhankar Paul, Company Secretary - Key Managerial Personnel

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

Particulars	Remuneration		Loans & Advances given	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Key Management Personnel	202.00	121.89	Nil	Nil
Relative of KMP	Nil	Nil	Nil	Nil
Closing Balance	16.83	8.82	Nil	Nil

(ii) Subsidiary Companies: (Ownership Interest – 100%)
(₹ in Lakhs)

Subsidiary Company	Loan Given		Loan Taken	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Allied Maritime & Infra Engineering Private Ltd	2.38	4.48	12.10	136.08
ARCL Petrochemicals Limited	148.38	139.01	148.38	139.01
Ocilim Advisory Services Private Ltd.	31.01	134.00	31.01	134.00
Wide Range Merchants Private Ltd.	141.70	134.14	141.70	134.14
Nocnex Chemicals Private Ltd.	35.43	135.57	35.43	135.57
Yocnex Chemicals Private Ltd.	40.97	134.45	40.97	134.45
Suksess Chemicals Private Ltd.	101.93	94.53	101.93	94.53
TOTAL	501.80	776.17	511.52	907.76

(c) Closing Balance

Particulars	As at March 31, 2025	As at March 31, 2024
Loans Given	501.80	776.17
Interest Receivable	-	-
Loans Taken	511.52	907.76
Interest Payable	-	-

Note 30 Employee Benefits
a) Present Value of Obligations for Defined Benefits:

Particulars	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	2024-25	2022-23	2024-25	2022-23
As at the beginning of the year	46.69	36.03	256.43	236.12
Current Service Cost	8.55	6.44	15.20	14.17
Interest Cost	3.38	2.61	18.59	17.12
Actuarial (Gains)/Losses	6.40	4.99	31.40	1.23
Benefits paid	-13.16	-3.40	-76.30	-12.21
As at the end of year	51.86	46.69	245.32	256.43

b) Fair Value of Planned Assets:

(₹ in Lakhs)

Particulars	Leave Encashment 2024-25	Leave Encashment 2022-23	Gratuity (Funded) 2024-25	Gratuity (Funded) 2022-23
As at the beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contribution by Employer	13.16	3.40	76.30	12.21
(Benefits Paid)	-13.16	-3.40	-76.30	-12.21
As at the end of the year	-	-	-	-

c) Key results (The amount to be recognized in the Balance Sheet):

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Present value of the obligation at the end of the period	51.86	46.69	245.32	256.43
Fair value of plan assets at end of period	-	-	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	51.86	46.69	245.32	256.43
Funded Status - Surplus/ (Deficit)	-51.86	-46.69	-245.32	-256.43

d) Expense recognized in the statement of Profit and Loss:

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Interest cost	3.38	2.61	18.59	17.12
Current service cost	8.55	6.44	15.20	14.17
Past Service Cost	-	-	-	-
Expected return on plan asset	-	-	-	-
Expenses to be recognized in P&L	11.93	9.06	33.79	31.28

e) Other comprehensive (income) / expenses (Remeasurement)
(₹ in Lakhs)

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Cumulative unrecognized actuarial (gain)/loss opening. B/F	12.91	7.92	60.26	59.03
Actuarial (gain)/loss - obligation	6.40	4.99	31.40	1.23
Actuarial (gain)/loss - plan assets	-	-	-	-
Total Actuarial (gain)/loss	6.40	4.99	31.40	1.23
Cumulative total actuarial (gain)/loss. C/F	19.31	12.91	91.67	60.26

f) Net Interest Cost

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Interest cost on defined benefit obligation	-	-	18.59	17.12
Interest income on plan assets	-	-	-	-
Net interest cost (Income)	-	-	18.59	17.12

g) Experience adjustment:

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Experience Adjustment (Gain) / loss for Plan liabilities	3.62	4.99	21.92	1.23
Experience Adjustment Gain / (loss) for Plan assets	-	-	-	-

h) Summary of membership data at the date of valuation and statistics based thereon:

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Number of employees	228	224	228	224
Total monthly salary	34.48	33.99	34.48	33.99
Average Past Service(Years)	11	11.7	10.8	11.7

Average Future Service (yrs)	20	18.4	20.2	18.4
Average Age(Years)	40	41.6	39.8	41.6
Total Leave With Cap/Without Cap	8,966/9,480	8,417/8,969	-	-
Total CTC / Availment Rate	68.96 / 3%	67.97 / 3%	-	-
Weighted average duration (based on discounted cash flows) in years	13	10	8	6
Average monthly salary	15,124	15174	15124	15174

i) Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Discount rate	6.75 % per annum	7.25 % per annum	6.75 % per annum	7.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	10.00% p.a.	5.00% p.a.	10.00% p.a.	5.00% p.a.

j) Benefits valued:

Normal Retirement Age	60 Years	60 Years	60 Years	60 Years
Salary	As per rules of the company	As per rules of the company	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	-	-	5 Years of service	5 Years of service
Benefits on Normal Retirement	1/30 * Salary * Number of leaves.	1/30 * Salary * Number of leaves.	15/26 * Salary * Past Service (yr).	15/26 * Salary * Past Service (yr).
Benefit on early exit due to death and disability	As above, subject to rules of the company.	As above, subject to rules of the company.	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	As above, subject to rules of the company.	As above, subject to rules of the company.	20.00	20.00
Benefit on death	As above, subject to rules of the company.	As above, subject to rules of the company.	-	-

k) Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) : (₹ in Lakhs)

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Current Liability (Short Term)*	10.17	12.81	46.53	71.29
Non Current Liability (Long Term)	41.69	33.87	198.80	185.14
Total Liability	51.86	46.69	245.32	256.43

l) Effect of plan on entity's future cash flows: Not Applicable

l) (i): Funding arrangements and funding policy: Not Applicable

l) (ii): Expected contribution during the next annual reporting period

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
The Company's best estimate of Contribution during the next year	-	-	19.71	20.31

l) (iii): Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.

01 Apr 2025 to 31 Mar 2026	-	46.53
01 Apr 2026 to 31 Mar 2027	-	33.81
01 Apr 2027 to 31 Mar 2028	-	37.10
01 Apr 2028 to 31 Mar 2029	-	26.05
01 Apr 2029 to 31 Mar 2030	-	23.84
01 Apr 2030 Onwards	-	77.99

m) Projection for next period:

Best estimate for contribution during next Period	-	-	19.71	-
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n) Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Period	As at March 31, 2025	As at March 31, 2025
Defined Benefit Obligation (Base)	51,86,448	2,45,32,321 @ Salary Increase Rate : 5%, and discount rate :6.75%
Liability with x% increase in Discount Rate	49,24,876; x=1.00% [Change (5)%]	2,35,28,124; x=1.00% [Change (4)%]
Liability with x% decrease in Discount Rate	54,78,272; x=1.00% [Change 6%]	2,56,25,354; x=1.00% [Change 4%]
Liability with x% increase in Salary Growth Rate	54,80,452; x=1.00% [Change 6%]	2,56,33,508; x=1.00% [Change 4%]
Liability with x% decrease in Salary Growth Rate	49,18,354; x=1.00% [Change (5)%]	2,35,02,886; x=1.00% [Change (4)%]
Liability with x% increase in Withdrawal Rate	52,13,586; x=1.00% [Change 1%]	2,45,83,389; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	51,56,546; x=1.00% [Change (1)%]	2,44,75,963; x=1.00% [Change 0%]

o) Reconciliation of liability in balance sheet:

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Opening gross defined benefit liability/ (asset)	46.69	36.03	256.43	236.12
Expenses to be recognized in P&L	11.93	9.06	33.79	31.28
OCI- Actuarial (gain)/ loss- Total current period	6.40	4.99	31.40	1.23
Benefits paid (if any)	-13.16	-3.40	-76.30	-12.21
Closing gross defined benefit liability/ (asset)	51.86	46.69	245.32	256.43

p) Defined Contribution Plans

Provident Fund for certain eligible employees is administered by the Company through Employees Provident Fund as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

The amount contributed is recognized as an expense and included in "Company's contributions to PF & other funds" of Statement of Profit and Loss account is Rs.57.18 lakhs (LY Rs.48.73 lakhs).

Notes

(a) The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(b) Discount rate is based upon the market yields available on Government Bonds at the accounting date with that of liabilities.

Note 31

Disclosure of under the Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence disclosure relating to amount unpaid at year end together with interest paid/payable have been given based on the information so far available with the Company / identified by the Company management. The detail of the same is as under.

Particulars	As at March 31, 2025	As at March 31, 2024
(a)(i) Principal amount remaining unpaid at the end of the accounting year	-	-
ii) Interest due on above	-	-
(b)(i) Interest paid by the Company in terms of section 16 of MSMED Act.	-	-
ii) Payment made to supplier beyond the appointed day during the year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of financial year.	-	-
(e) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest due as above are actually paid.	-	-

Note 32 Expenditure in Foreign Currency
(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Travelling	20.55	26.74
Professional for R & D Expenses	-	-
Commission	-	-
Business Development Expenses	20.29	8.46

Note 33 Earnings in Foreign Currency

Particulars	As at March 31, 2025	As at March 31, 2024
Value of Exports on FOB basis	8150.93	5672.48
Brokerage and Commission received	-	-

Note 34 CIF Value of imports

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	8255.62	3670.17

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 2,82,74,459/- and 1,57,00,000/- 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

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	As at March 31, 2025	As at March 31, 2024
Debt	1920.66	1909.34
Cash and Bank balance	46.19	332.39
Net Debt	1874.46	1576.95
Total Equity	7565.11	6428.40
Net debt to Equity ratio/ Gearing Ratio	0.25	0.25

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.

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, 2025 & March 31, 2024:

(₹ in Lakhs)				
Financial Assets Measured at Amortized Cost	Current		Non Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Trade receivables	5161.93	3414.82	-	-
Cash and cash equivalents	46.19	332.39	-	-
Other Bank Balances	1232.51	701.66	-	-
Loans	208.34	282.82	-	-
Other Financial Assets	181.59	36.23	36.12	70.87
Measured at fair value through OCI				
Investments	-	-	126.01	126.59
Total Financial Assets	6830.57	4767.92	162.13	197.46

Financial Liabilities at Amortized Cost	Current		Non-Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Borrowings	1749.87	1112.58	1759.75	1774.46
Lease Liabilities	34.02	19.24	.00	9.49
Trade payables	3784.85	4201.93	.00	.00
Other financial liabilities	290.58	224.78	-	-
Total Financial Liabilities	5859.32	5558.53	1759.75	1783.95

Note 39 (i) Financials Instrument Disclosure

(a) Financial assets and Liabilities measured at fair value through Profit & Loss account as on 31 March, 2025

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
-Investments	-	-.58	126.59	126.01	3.75	-	122.26	126.01
-Other financial assets	-	-	36.12	36.12	-	-	36.12	36.12
Financial Assets (Short Term)								
- Trade Receivable	-	-	5161.93	5161.93	-	-	5161.93	5161.93
- Cash and cash equivalents	-	-	1278.70	1278.70	-	-	1278.70	1278.70
- Loans & Advances	-	-	208.34	208.34	-	-	208.34	208.34
- Other Financials Assets	-	-	181.59	181.59	-	-	181.59	181.59
Total	-	-.58	6993.28	6992.70	3.75	-	6988.95	6992.70
Financial liabilities (Long Term)								
- Lease Liabilities	-	-	-	-	-	-	-	-
- Borrowings	-	-	1759.75	1759.75	-	-	1759.75	1759.75
Financial liabilities (Short Term)								
- Borrowings	-	-	1749.87	1749.87	-	-	1749.87	1749.87
- Lease Liabilities	-	-	34.02	34.02	-	-	34.02	34.02
- Trade Payable	-	-	3784.85	3784.85	-	-	3784.85	3784.85
- Other Financial Liabilities	-	-	290.58	290.58	-	-	290.58	290.58
Total	-	-	7619.07	7619.07	-	-	7619.07	7619.07

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

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	1.56	125.03	126.59	4.33	-	122.26	126.59
- Other financial assets	-	-	70.87	70.87	-	-	70.87	70.87
Financial Assets (Short Term)								
- Trade Receivable	-	-	3414.82	3414.82	-	-	3414.82	3414.82
- Cash and cash equivalents	-	-	1034.05	1034.05	-	-	1034.05	1034.05
- Loans & Advances	-	-	282.82	282.82	-	-	282.82	282.82
- Other Financial Assets	-	-	36.23	36.23	-	-	36.23	36.23
Total	-	1.56	4963.81	4965.37	4.33	-	4961.04	4965.37

Financial liabilities (Long Term)								
- Lease Liabilities	-	-	9.49	9.49	-	-	9.49	9.49
- Borrowings	-	-	1774.46	1774.46	-	-	1774.46	1774.46
Financial liabilities (Short Term)								
- Borrowings	-	-	1112.58	1112.58	-	-	1112.58	1112.58
- Lease Liabilities	-	-	19.24	19.24	-	-	19.24	19.24
- Trade Payable	-	-	4201.93	4201.93	-	-	4201.93	4201.93
- Other Financial Liabilities	-	-	224.78	224.78	-	-	224.78	224.78
Total	-	-	7342.48	7342.48	-	-	7342.48	7342.48

Fair Value Hierarchy

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

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

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

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

(a) Financial assets and liabilities measured at fair value through OCI at 31 March, 2025

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
Financial Assets	-	-	-	-
-Investment	3.75	-	-	3.75

(b) Financial assets and liabilities measured at fair value through OCI at 31 March, 2024

(₹ in Lakhs)

	Level 1	Level 2	Level 3	Total
Financial Assets	-	-	-	-
-Investment	4.33	-	-	4.33

Note 40A

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

Note 40B

As per NCLT Order, we purchased RCHEM Industries Pvt. Ltd. In consideration of Rs 3,01,25,000/- but the shares of the Company have not been transferred in the name of ARCL Organics Ltd as on 31/03/2025. So that the M/s RCHEM Industries Pvt. Ltd. is not considered a Subsidiary Company of ARCL Organics Ltd. In this regards the transferred value is shown under Other Current Assets in Note no.-12.

Note 41 Financial Risk Management

The Company's business activities are exposed to a variety of risks including liquidity risk, credit risk, and market risk. The Company seeks to minimize the potential adverse effects of these risks by managing them through a structured process of identification, assessment, and prioritization of risks followed by coordinated efforts to monitor, minimize and mitigate the impact of such risks on its financial performance and capital. For this purpose, the Company has laid comprehensive risk assessment and minimization/mitigation procedures, which are reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed to ensure that executive management controls risks by way of a properly defined framework. The Company does not enter into derivative financial

instruments for speculative purposes. The following table explains the sources of risk and how the entity manages the risk in its financial statements. The management reviews the status of all principal risks with a significant potential impact. Additionally, the Audit Committee carried out focused risk reviews of its Plant and divisions. These reviews included an analysis of both the principal risks and the controls, monitoring, and assurance processes established to mitigate those risks to acceptable levels. As a result of these reviews, several actions were identified to continue to improve internal controls and the management of risk.

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

a) Credit Risk

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

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	As at March 31, 2025	As at March 31, 2024
Less than six months	4484.10	3141.67
More than six months	677.83	273.15

b) Market Risk

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

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

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

(iii) Security Price Risk -. The company's exposure to securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or fair value through Profit or Loss.

To manage the price risk arising from investments, the company diversifies its portfolio.

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

c) Liquidity risk

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

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

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

As at March 31, 2025

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Financial Liabilities					
(i) Borrowings	284.85	1467.06	1757.71	-	3509.62
(ii) Trade and other payables	-	3541.07	243.77	-	3784.85
(iii) Other financial liabilities	202.83	-	87.74	-	290.58
(iv) Lease liabilities	5.29	15.86	12.88	-	34.02

As at March 31, 2024

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Financial Liabilities					
(i) Borrowings	200.74	911.84	1774.46	-	2887.04
(ii) Trade and other payables	-	4126.48	75.45	-	4201.93
(iii) Other financial liabilities	137.03	-	87.74	-	224.78
(iv) Lease liabilities	5.19	15.57	7.97	-	28.73

Note 42

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
	USD	EURO	USD	EURO
Financial Assets				
Trade Receivables	21.92	3.18	14.67	.11
Financial Liabilities				
Trade Payables	15.01	-	10.37	-

Note 43 Expenditure on Research & Development

During this year company incurred Rs 3,81,463/- for the purchase of Research and Development equipment in Fixed Assets and incurred expenses disclose in Note 26 of Rs 1,11,42,665/-.

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

	As at March 31, 2025	As at March 31, 2024
Employees benefits expense	98.52	77.01
Miscellaneous expenses	12.90	23.24

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

	As at March 31, 2025	As at March 31, 2024
Capital Expenditure	5.32	3.81

Note 44

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

Note 45 Details of Corporate Social Responsibility expenditure:
(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) amount required to be spent by the company during the year	21.97	19.71
(ii) amount of expenditure incurred	20.00	20.00
(iii) shortfall at the end of the year	-	-
(iv) total of previous years shortfall	-	-
(v) reason for shortfall,	-	-
(vi) nature of CSR activities	Rural development projects	Primary Health & Education
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	2,00,000 for promoting health care including preventive health care at Rudraprayag (Chairman of the Company is the trustee of Trust)	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

Note 45 (a) Auditor's Remuneration

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
As Auditor:		
Audit fees	4.20	4.20
Tax audit fees	.30	.30
Limited Review	1.50	1.50
Reimbursement of expenses		
Others		.00
Total	6.00	6.00

Note 46
Note on Segment reporting to be included by updating the below language

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

Note 47 Particulars of Derivative instruments and unhedged foreign currency exposure:

Particulars of Unhedged foreign currency exposure:	As at March 31, 2025		As at March 31, 2024	
Particulars	Amount in Foreign Currency US\$	Amount	Amount in Foreign Currency US\$	Amount
Purchase of Raw Material				
a) Creditors	94.59	8255.62	10.37	868.55
b) Buyer's Credit	-	-	-	-
Hedged Foreign Currency	-	-	-	-
Buyers Credit (USD)	-	-	-	-

Particulars of Unhedged foreign currency exposure:	As at March 31, 2025		As at March 31, 2024	
Particulars	Amount in Foreign Currency US\$	Amount	Amount in Foreign Currency US\$	Amount
Purchase of Traded Goods				
a) Creditors	-	-	-	-
b) Buyer's Credit	-	-	-	-
Hedged Foreign Currency	-	-	-	-
Buyers Credit (USD)	-	-	-	-

Note 48 Lease Liability

(₹ in Lakhs)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Non Current	Current	Total	Non Current	Current	Total
Opening	19.24	9.49	28.73	19.76	8.03	18.93
Addition	12.80	11.24	24.04	16.27	9.60	25.87
Interest Cost	-	4.43	4.43	-	-	.66
Deletion	-	-	-	-	-	-
Lease Payment	-	23.18	23.18	-	-	16.72
Closing	32.04	1.99	34.02	19.24	9.49	28.73

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

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	-	9.49
More than one year but less than five years	34.02	19.24
More than Five Years	-	-
Total	34.02	28.73

Note 49 Assets Pledged as Security

The carrying amounts of assets pledged as security for current borrowings are: (₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Financial assets	6700.28	5766.86
First charge		
Margin Money	118.58	140.38
Inventories	1419.77	2211.66
Trade Recivable	5161.93	3414.82
Non-financial assets	-	-
Total current assets pledged as security	6700.28	5766.86

Non-current		
Financial assets		
First charge		
Fixed Deposit	1113.93	561.27
Non-financial assets	-	-
Total non-currents assets pledged as security	1113.93	561.27
Total assets pledged as security	7814.21	6328.13

Note 50

Revenue from sale of major products in terms of type of sale / customer and based on primary geographical market:

	(₹ In Lakhs)	
Particulars	As at March 31, 2025	As at March 31, 2024
Type of Goods & Services		
Amino Powder	5189.35	4359.79
Aqua-Sb	1832.39	2323.96
Epoxy Resin	92.81	110.96
Fmld	11131.30	7904.78
Liquid	157.65	6.17
PF Powder	5322.90	3343.94
Phenolics	347.59	561.26
Trading Sales	757.66	334.21
Total	24831.64	18945.07
Geographical Region		
India	16680.72	13272.59
Overseas	8150.93	5672.48
Total	24831.64	18945.07
Type of Sales		
Manufactured	24073.99	18610.86
Traded	757.66	334.21
Total	24831.64	18945.07
Type of customers		
Government	-	-
Non-government	24831.64	18945.07
Total	24831.64	18945.07

**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, 2025, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and notes to the financial statements for the year ended on that date including a summary of material accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2025, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Other Information

3. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the consolidated financial statements and our

auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.

4. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
5. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
6. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 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. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
 15. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Other Matters

16. We did not audit the financial statements of seven subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 1083.72 lakhs as at March 31, 2025, total revenues of Rs. 166.28 lakhs, total net profit/ (Loss) after tax of Rs. 58.15 lakhs, total comprehensive loss of Rs. 58.15 lakhs and cash flows (net) of Rs. 56.96 lakhs for the year ended on that date as considered in the

financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries is based solely on the reports of other auditors.

Our opinion on the Consolidated Financial Statements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2025 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, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditor's report of the parent and its subsidiary companies incorporated in India.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither proposed any dividend in the previous year or in the current year nor paid any interim dividend during the year.

vi. Based on our examination which included test checks, the company and its subsidiaries have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

ANNEXURE- A TO THE INDEPENDENT AUDITOR'S REPORT

To the members of ARCL ORGANICS LIMITED

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

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

1. We have audited the internal financial controls over financial reporting of **ARCL ORGANICS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India as of 31st March, 2025 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiaries which are companies incorporated in India based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over

financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting the Company and its subsidiary companies.

Meaning of Internal Financial Control over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
 - 1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of company; and
 - 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies have, in all

material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven subsidiary company is based solely on the corresponding reports of the auditors of such companies.

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

Place: Kolkata
Date: 13.05.2025

(Ranjan Singh)
Partner
Membership Number: 305423
UDIN: 25305423BMNYVB9646

Consolidated Balance Sheet as on 31st March 2025				(₹ in Lakhs)
Particulars	Note No.	As at 31st March 2025	As at 31st March 2024	
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	6758.28	6279.54	
Right of Use	2	31.59	27.78	
Financial Assets				
(i) Investments	3	3.75	4.33	
(ii) Other financial Assets	4	36.12	70.87	
Total Non - Current Assets		6829.74	6382.52	
Current assets				
Inventories	6	1419.77	2211.66	
Financial Assets				
(i) Trade receivables	7	5163.80	3429.74	
(ii) Cash and cash equivalents	8	575.25	804.50	
(iii) Other Bank Balances	9	1232.51	701.66	
(iv) Loans	10	70.81	288.39	
(v) Other Financial Assets	4	181.59	36.23	
Other current assets	12	1415.22	1868.70	
Total Current Assets		10058.96	9340.87	
Total Assets		16888.70	15723.39	
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	13	800.00	800.00	
Other Equity	14	6944.88	5750.01	
Total equity		7744.88	6550.01	
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
(i) Borrowings	15	1618.49	1774.46	
(ia) Lease Liabilities		-	9.49	
Provisions	17	240.49	219.01	
Deferred Tax Liabilities (Net)	5	468.42	332.28	
Total non-current liabilities		2327.40	2335.25	
Current liabilities				
Financial Liabilities				
(i) Borrowings	15	1749.87	1112.58	
(ia) Lease Liabilities		34.02	19.24	
(ii) Trade payables	18	-	-	
Outstanding dues to Micro and Small enterprises		-	-	
Outstanding dues to parties other than Micro and Small enterprises		4534.85	4951.93	
(iii) Other financial liabilities	16	290.58	224.78	
Provisions	17	213.83	188.81	
Other current liabilities	19	403.30	104.73	
Current Tax Liability Net	11	(410.04)	236.05	
Total Current Liabilities		6816.41	6838.12	
Total liabilities		9143.81	9173.37	
Total Equity & Liabilities		16888.70	15723.39	
Significant accounting policies	1			
Additional notes to financial statements	27- 51			
The above balance sheet should be read in conjunction with the accompanying notes In terms of our report of even date				
For and on behalf of the Board				
For L B Jha & Co Chartered Accountants (Firm registration no. 301088E)		Suraj Ratan Mundhra Managing Director DIN-00681223	Mukesh Mundhra Director DIN-00658602	
Partner Ranjan Singh (Membership no. 305423) Place: Kolkata Date: 13.05.2025		Navneet Bagri Chief Financial Officer	Subhankar Paul Company Secretary	

Consolidated Statement of Profit and loss as on 31st March 2025				(₹ in Lakhs)
Particulars	Notes	As at 31st March 2025	As at 31st March 2024	
I. Revenue from operations	20	25059.27	19072.39	
II. Other income	21	235.34	269.62	
III. Total Revenue (I + II)		25294.60	19342.01	
IV. Expenses:				
Cost of materials consumed	22	17882.79	13833.41	
Purchase of Stock in Trade		861.42	-	
Changes in inventories of work-in-progress, stock-in-trade and finished goods	23	(265.35)	87.89	
Employee benefit expense	24	1228.46	979.88	
Finance costs	25	419.79	307.03	
Depreciation and amortization expense	2	520.92	429.13	
Other expenses	26	2971.19	2239.63	
Total expenses		23619.22	17876.97	
V. Profit before tax (III - IV)		1675.38	1465.04	
Income tax expenses				
- Current tax		305.99	335.35	
- MAT Credit		-	-	
- Deferred tax		136.14	(.31)	
Total tax expense		442.13	335.04	
Profit after tax		1233.26	1130.00	
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
(a) Remeasurements Gains/(Losses) on Defined Benefit Plan		(37.81)	(6.22)	
(b) Gains/(Losses) on fair valuation of Equity Instruments		(.58)	1.56	
Other comprehensive income for the year, net of tax		(38.39)	(4.66)	
Total comprehensive income for the year		1194.87	1125.33	
Earnings per equity share attributable to owners of ARCL Organics Limited:				
Basic earnings per share		15.42	14.12	
Diluted earnings per share		15.42	14.12	
Summary of Significant Accounting Policies	1			
Additional notes to financial statements	27- 51			
In terms of our report of even date				
For and on behalf of the Board				
For L B Jha & Co				
Chartered Accountants				
(Firm registration no. 301088E)				
Partner Ranjan Singh				
(Membership no. 305423)				
Place: Kolkata				
Date: 13/05/2025				
		Suraj Ratan Mundhra	Mukesh Mundhra	
		Managing Director	Director	
		DIN-00681223	DIN-00658602	
		Navneet Bagri	Subhankar Paul	
		Chief Financial Officer	Company Secretary	
			Membership No.- A63772	

Consolidated Cash Flow Statement for the year ended 31st March 2025					(₹ in Lakhs)
		For the year ended 31st March, 2025		For the year ended 31st March, 2024	
A.	Cash Flow from Operating Activities				
	Net profit before tax as per Statement of Profit and Loss		1675.38		1465.04
	Adjustments for :				
	Depreciation on Tangible Assets	520.92		429.13	
	Interest Income	-73.36		-54.70	
	Interest Expense	320.92		219.07	
	Actuarial Gain /loss transferred to OCI	-38.39		-4.66	
			730.09		588.84
	Operating Profit Before Working Capital Changes		2405.58		2053.88
	Increase / (Decrease) in Trade Payables	-417.09		1518.14	
	Increase / (Decrease) in Other Current Liabilities	298.57		-112.40	
	Increase / (Decrease) in Short Term Provisions	25.02		100.34	
	Increase / (Decrease) in Long Term Provisions	21.48		-21.78	
	Increase / (Decrease) in Other Current financial Liabilities	65.80		74.86	
	Increase / (Decrease) in Other Non-Current financial Liabilities	-		.00	
	(Increase) / Decrease in Other Bank balances	-530.86		-11.32	
	(Increase) / Decrease in Trade receivables	-1734.06		-227.55	
	(Increase) / Decrease in Inventories	791.89		-956.27	
	(Increase) / Decrease in Loans and Advances	217.58		-94.18	
	(Increase) / Decrease in Other Current Assets	-498.61		-1009.75	
	(Increase) / Decrease in Other Current Financial Assets	-145.36		-28.92	
	(Increase) / Decrease in Other Non-Current financial Assets	34.75		-3.44	
	(Increase) / Decrease in Long Term Loans & Advances	-	-1870.89	.00	-772.28
	Cash generated from operations		534.58		1281.60
	Taxes paid (Net of refunds)		-		-
	Net cash Generated/(used) from operating activities (A)		534.58		1281.60
B.	Cash Flow from Investing Activities				
	Purchase of fixed assets	-1003.48		-2104.59	
	Disposal of Fixed Assets	.00		.00	
	Investments in Subsidiaries	.58		-1.56	
	Interest Received	73.36		54.70	
	Net cash from investing activities (B)		-929.53		-2051.45
C.	Cash flow From Financing Activities				
	Proceeds from short-term borrowings	652.08		143.43	
	Proceeds/Repayment) from long - term borrowings	-165.46		740.48	
	Interest Paid	-320.92	165.70	-219.07	664.84
	Net cash used for financing activities (C)		165.70		664.84
	Net Increase/(decrease in cash and cash equivalents (A+B+C)		-229.25		-105.01
	Cash and Cash equivalent at the beginning of the year		804.50		909.52
	Cash and Cash equivalent at the end of the year		575.25		804.50
	Changes in Cash and Cash Equivalents - Increase/(Decrease)		229.25		105.01
<p>This is the Cash Flow Statement referred to in our report of even date.</p> <div> <div> For L B Jha & Co Chartered Accountants (Firm registration no. 301088E) Partner Ranjan Singh (Membership no. 305423) </div> <div> Suraj Ratan Mundhra Managing Director DIN-00681223 Navneet Bagri Chief Financial Officer </div> <div> Mukesh Mundhra Director DIN-00658602 Subhankar Paul Company Secretary </div> </div>					

Statement of Changes in Equity for the year ended March 2025
A. Equity Share Capital (₹ in Lakhs)

Particulars	Notes	Amount
As at 1 April 2023		800.00
Changes in equity share capital		
As at 31 March 2024	13	800.00
Changes in equity share capital		
As at 31 March 2025		800.00

B. Other Equity

Particulars	Notes	Securities premium reserve	Capital reserve	Retained Earnings	Other Comprehensive Income		Total other equity
					Remeasurements of the defined benefit plans	Fair valuation of Equity Instrument	
Balance on 31 March 2023		1122.50	.03	3564.01	-61.80	-.07	4624.68
Profit for the year		-	-	1130.00	-	-	1130.00
Other comprehensive income		-	-	-	-6.22	1.56	-4.66
Adjustments		-	-	-	-	-	-
Total comprehensive income for the year		-	-	1130.00	-6.22	1.56	1125.33
Balance on 31 March 2024	14	1122.50	.03	4694.01	-68.02	1.49	5750.01
Profit for the year		-	-	1233.26	-	-	1233.26
Other comprehensive income		-	-	-	-37.81	-.58	-38.39
Total comprehensive income for the year		-	-	1233.26	-37.81	-.58	1194.87
Balance on 31 March 2025		1122.50	.03	5927.26	-105.83	.91	6944.88

For L B Jha & Co

Chartered Accountants

(Firm registration no. 301088E)

Partner Ranjan Singh

(Membership no. 305423)

Place: Kolkata

Date: 13/05/2025

Notes forming part of the consolidated financial statements
Note 1 Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions
A. Corporate information

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

The Corporate identity number of the Company is U24121WB1992PLC056562 issued by Registrar of Companies, Kolkata, West Bengal.

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

The financial statements of the Group comprise of the financial statements of the parent company and its seven wholly-owned subsidiaries (the Company and its subsidiaries are referred to as the "Group"). The Group is principally engaged in the business of real estate development financing, trading and other activities.

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

Subsidiaries	Country of Incorporation	2024-25	2023-24	2022-23
Allied Maritime & Infra Engineering Private Ltd	India	100%	100%	100%
ARCL Petrochemicals Limited	India	100%	100%	100%
Ocilim Advisory Services Private Ltd.	India	100%	100%	100%
Wide Range Merchants Private Ltd.	India	100%	100%	100%
Nocnex Chemicals Private Ltd.	India	100%	100%	100%
Yocnex Chemicals Private Ltd.	India	100%	100%	100%
Suksess Chemicals Private Ltd.	India	100%	100%	100%

B. Material accounting policies

The significant accounting policies applied by the group in the preparation of its consolidated financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these consolidated financial statements unless otherwise indicated.

1. Basis of accounting and preparation of financial statements

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

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

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

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

2. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March 2025.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

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

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

3. Use of estimates

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

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

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

Useful lives of property, plant and equipment

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

Valuation of deferred tax assets

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

4. Current and Non-current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

5. Property, Plant and Equipment (PPE)

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

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

Any subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to

the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in profit or loss as incurred.

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

6. Depreciation

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

7. Impairment of Non-Financial Assets

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

8. Investment in subsidiaries, associates and joint ventures

Investments in subsidiaries are accounted at cost in the standalone financial statements and the same has been knocked off in the consolidated financial statements.

9. Cash and Bank Balances

Cash and bank balances consist of:

(i) Cash and cash equivalents

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

(ii) Other bank balances

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

10. Inventories

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

11. Financial Instruments

Financial Asset Initial Recognition

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

Subsequent Measurement

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

Financial Asset at Fair value through Profit or Loss

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

Financial Asset measured at Amortized Cost

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

Financial Asset at Fair value through OCI

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

Financial Asset Derecognition

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

Financial Liabilities – Initial recognition and measurement

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

Subsequent Measurement

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

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

Measurement of Fair Values

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

Trade Payables

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

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

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

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

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

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

12. Borrowings

Borrowings are recognized at fair value. They are classified as current liabilities unless the Group has the right to defer the settlement of the liability for at least 12 months after the reporting period. Borrowings are removed from the balance sheet when the obligations are 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 obsolescence 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 2 Property, Plant and Equipment and Capital work-in progress

Particulars	Closing gross carrying amount as on 01.04.2024	Additions	Disposals	Closing gross carrying amount as on 31.03.2025	Accumulated depreciation as on 01.04.2024	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2025	Net carrying amount as at 31.03.2025
Freehold Land	571.97	-	-	571.97	-	-	-	-	571.97
Buildings	459.19	17.88	-	477.07	81.95	.71	-	82.66	394.41
Office Building	2.87	101.91	-	104.79	.33	16.45	-	16.77	88.01
Furniture and Fixtures	118.61	6.35	-	124.95	33.74	10.42	-	44.16	80.79
Car	152.91	0.46	-	153.38	76.23	15.89	-	92.11	61.27
Tanker	622.00	-	-	622.00	188.47	70.66	-	259.13	362.87
Electric Installation	94.18	64.01	-	158.19	18.23	14.97	-	33.20	124.99
Air Conditioner	15.68	2.61	-	18.30	5.96	2.83	-	8.79	9.51
Computer	45.77	10.12	-	55.89	24.57	7.97	-	32.54	23.35
Software	57.92	-	-	57.92	27.60	19.24	-	46.84	11.08
Office Equipments	29.16	32.29	-	61.45	9.26	4.69	-	13.95	47.50
Plant & Machinery	5357.21	719.11	-	6076.32	862.58	325.57	-	1188.15	4888.17
R&D Equipment	93.51	5.32	-	98.83	12.34	6.23	-	18.57	80.26
Total	7260.97	960.08	-	8581.05	1341.25	495.63	-	1836.88	6744.17
Ind-As 116	38.69	24.04	-	62.73	21.49	20.23	-	41.72	21.01
Total	7659.66	984.12	-	8643.78	1362.74	515.86	-	1878.60	6765.17

Particulars	Gross carrying amount as on 01.04.2023	Additions	Disposals	Closing gross carrying amount as on 31.03.2024	Accumulated depreciation as at 01.04.2023	Depreciation charge during the year	Disposals	Closing accumulated depreciation as on 31.03.2024	Net carrying amount as at 31 March 2024
Freehold Land	571.97	-	-	571.97	-	-	-	-	571.97
Buildings	373.27	85.92	-	459.19	69.73	12.22	-	81.95	377.24
Office Building	2.87	-	-	2.87	.27	.05	-	.33	2.54
Furniture and Fixtures	88.70	29.90	-	118.61	25.25	8.50	-	33.74	84.86
Car	152.91	-	-	152.91	57.25	18.98	-	76.23	76.68
Tanker	381.86	240.14	-	622.00	125.21	63.26	-	188.47	433.53
Electric Installation	82.46	11.72	-	94.18	10.03	8.20	-	18.23	75.95
Air Conditioner	9.81	5.88	-	15.68	3.96	1.99	-	5.96	9.73
Computer	30.01	15.77	-	45.77	18.12	6.45	-	24.57	21.20
Software	57.92	-	-	57.92	9.13	18.47	-	27.60	30.32
Office Equipments	16.78	12.38	-	29.16	5.30	3.95	-	9.26	19.90
Plant & Machinery	3683.83	1673.38	-	5357.21	596.76	265.82	-	862.58	4494.63
R&D Equipment	89.69	3.81	-	93.51	6.40	5.94	-	12.34	81.17
Total	5542.07	2078.90	-	7620.97	927.41	413.84	-	1341.25	6279.72
Ind-As 116	38.69	25.87	-	38.68	11.86	9.63	-	21.49	17.20
Total	5580.76	2104.77	-	7659.66	939.27	423.47	-	1362.74	6296.92

Note 3 Investments

(₹ in Lakhs)

Particulars	As at March 31st, 2025	As at March 31, 2024
Investment in Others - Quoted*		
Bank of Baroda		
1640 Equity shares FV Rs. 2 each	3.75	4.33
Total	3.75	4.33

Note 4 Other financial Assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current		
Deposit with CESC	36.12	70.87
Total	36.12	70.87
Current		
Security Deposits	181.59	36.23
Total	181.59	36.23

Note 5 Deferred tax Liability (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred Tax Assets:		
Timing difference on account of:		
Defined benefit obligations	86.54	88.27
Deferred Tax Assets (A)	86.54	88.27
Less : Deferred Tax Liabilities		
Timing difference on account of:		
Property, plant and equipment	-554.96	-420.55
Deferred Tax Liabilities (B)	-554.96	-420.55
Deferred Tax Asset (Net)	-468.42	-332.28

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

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	153.57	1132.46
Finished goods	1111.73	846.39
Stores and spares	154.46	232.81
Total	1419.77	2211.66

Note 7 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Considered Good- Secured	-	-
Considered Good- Unsecured	5163.80	3429.74
Considered Good- Doubtful	-	-
Less : Provision for Doubtful Debts	-	-
Unsecured, Considered Doubtful	-	-
Total	5163.80	3429.74

Particulars	Outstanding for following periods from due date of payment#					For 2024- 25
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3	Total
(i) Undisputed Trade receivables – considered good	4485.97	33.66	298.79	222.70	122.68	5163.80
(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#					For 2023- 24
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3	Total
(i) Undisputed Trade receivables – considered good	3156.59	72.57	35.23	33.53	131.83	3429.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

Note 8 Cash & Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Balances with banks		
(i) In Current Account	564.56	788.24
(b) Cash in hand	10.70	16.26
Total Cash and Cash Equivalents	575.25	804.50

Note 9 Other Bank Balances

Particulars	As at March 31, 2025	As at March 31, 2024
Earmarked Balances		
-Margin Money	118.58	140.38
Other Deposit Account	1113.93	561.27
-Deposit accounts with maturity beyond three months upto twelve months		
Total	1232.51	701.66

Note 10 Loans

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Loan to Others	-	-
Total	-	-
Current		
Loan To Others	-19.92	288.39
Loan to Related Party	90.73	-
Total	70.81	288.39

* This represents the interest portion of loans subsequently by subsidiaries.

Note-11 Current Tax Assets

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current		
Advance tax including TDS & MAT Credit	875.68	508.07
Prov. For Income Tax	-465.64	-744.13
Total	410.04	-236.05

Note 12 Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Advances other than Capital Advances		
Advance to Creditors	279.45	327.86
Other Receivables	529.74	644.58
Paid for NCLT purchase of RCHEM Pvt Ltd. (Ref: Note - 40B)	330.21	311.25
Total	1139.40	1283.69
(ii) Others		
CENVAT/ Service Tax/ Sales Tax recoverable	101.37	101.37
GST Input (net of Output)	174.46	483.64
Advance to Suppliers	-	-
Total	275.82	585.00
Total	1415.22	1868.70

Note 13 Share Capital

Particulars	As at 31st March, 2025		As at 31st March, 2024	
	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	80,00,000	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, 2025		As at 31st March, 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
SUSHILA DEVI MUNDHRA	10,31,175	12.89	10,31,175	12.89
SURAJ RATAN MUNDHRA	7,91,627	9.90	7,91,627	9.90
SURAJ RATAN MUNDHRA HUF	6,70,005	8.38	6,70,005	8.38
ARC HOLDINGS LTD	12,23,380	15.29	12,23,380	15.29
MUKESH MUNDHRA	7,00,759	8.76	7,00,759	8.76

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

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

Particulars	As at 31st March 2025		As at 31st March 2024	
	Number	Amount	Number	Amount
At the beginning of the period	80,00,000	800.00	80,00,000	800.00
Issued during the period	-	-	-	-
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.

Note 14 Other equity
(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
General Reserve	-	-
Capital Reserve	.03	.03
Securities Premium Reserve	1122.50	1122.50
Retained earnings	5927.26	3564.01
Other comprehensive income	-104.91	-61.86
Total	6944.88	4624.68

Note 15 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non - Current		
Secured		
Vehicle loan from Bank (Hypothecation of Vehicle) ⁽¹⁾	306.98	359.92
	306.98	359.92
Unsecured		
Loan from Body Coporate	948.57	915.52
Loan from Others	239.97	267.78
Loan from Other Bank	122.97	231.24
	1311.51	1414.54
Total	1618.49	1774.46
Current		
Secured		
Other loans from banks		
Fund Based - Cash Credit ⁽²⁾	612.52	309.62
Current Maturity of Long-term Debt	160.91	134.88
Unsecured		
Loan from NBFC	812.93	386.63
Loan from Other Bank	163.52	281.45
Total	1749.87	1112.58

⁽¹⁾ EMI amounting to Rs 18731/-per instalments of Car payable in 60 instalments of which 49 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 9619/-per instalments of Car payable in 60 instalments of which 48 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 14769/-per instalments of Car payable in 48 instalments of which 28 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 26058/-per instalments of Car payable in 60 instalments of which 31 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 32465/-per instalments of Car payable in 48 instalments of which 35 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 35033/-per instalments of Car payable in 60 instalments of which 26 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 42581/-per instalments of Car payable in 60 instalments of which 34 instalments has been paid.

⁽¹⁾ EMI amounting to Rs 129686/-per installment per truck for 5 trucks payable in 58 installments of which 8 installments have been paid.

⁽²⁾ Secured by 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

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non - Current		
Advance against Development	-	-
Current		
Sundry liabilities for expense	290.58	224.78
	290.58	224.78
Total	290.58	224.78

Note 17 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Non - Current		
Provision for Employee Benefits		
(a) Provision for Leave Encashment	41.69	33.87
(b) Provision for Gratuity	198.80	185.14
Total	240.49	219.01
Current		
(a) Provision for Employee Benefits	157.14	104.71
(b) Provision for Gratuity	46.53	71.29
(c) Provision for Leave Encashment	10.17	12.81
Total	213.83	188.81

Note 18 Trade Payables

Particulars	As at March 31, 2025	As at March 31, 2024
Outstanding dues to Micro and Small enterprises	-	-
Outstanding dues to parties other than Micro and Small enterprises	4534.85	4951.93
*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	4534.85	4951.93

Disclosure under MSMED act.

Particulars	As at March 31, 2025	As at March 31, 2024
a. the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	-	-
b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c. Interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
e. Interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Particulars	Outstanding for following periods from the due date of payment#				For 2024-25
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4291.07	195.64	14.81	33.32	4534.85
(iii) Disputed dues - MSME					

Particulars	Outstanding for following periods from the due date of payment#				For 2023-24
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4876.48	29.77	31.54	14.14	4951.93
(iii) Disputed dues - MSME					

Note 19 Other Current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory Liabilities	32.37	24.32
Advance from Customer	370.93	80.40
Total	403.30	104.73

Note 20 Revenue from Operations

Particulars	As at 31st March, 2025	As at 31st March, 2024
<u>Sale of products (including excise duty)</u>		
Domestic Sales	16680.72	13272.59
Export Sales	8150.93	5672.48
	24831.64	18945.07
<u>Other Operating revenues</u>		
Duty Drawback	81.62	55.98
Export Incentive	146.01	71.35
	227.62	127.32
Total revenue from continuing operations	25059.27	19072.39

Note 21 Other Income

Particulars	As at 31st March, 2025	As at 31st March, 2024
<u>Interest Income</u>		
Bank Interest Received	73.36	54.70
Dividend Income	.00	20.76
	73.36	75.46
<u>Other non-operating income</u>		
Others	161.97	194.16
	161.97	194.16
Other Income	235.34	269.62

Note 22 Cost of Raw Materials & Component Consumed

Particulars	As at March 31, 2025	As at March 31, 2024
Inventory at the beginning of the year	1132.46	158.67
Add:- Purchases	16903.90	14807.20
	18036.36	14965.87
Less:- Inventory at the end of year	153.57	1132.46
Cost of Raw Materials Consumed	17882.79	13833.41

Note 23 (Increase)/Decrease in Inventory
(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Inventories at the end of the Year		
Finished goods	1111.73	846.39
	1111.73	846.39
Inventories at the beginning of the Year		
Finished goods	846.39	934.28
	846.39	934.28
(Increase)/Decrease In Inventory	-265.35	87.89

Note 24 Employee Benefit Expense

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Salaries, Wages and Incentives	1163.35	901.95
(b) Contribution to Provident and Other funds	54.01	58.44
(c) Staff Welfare Expenses	11.10	19.49
Total	1228.46	979.88

Note 25 Finance Cost

Particulars	As at March 31, 2025	As at March 31, 2024
Interest Expense	320.92	219.07
Other Borrowing Cost	98.87	87.96
Total	419.79	307.03

Note 26 Other Expenses
(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Rent	156.67	74.23
Carriage Outward	297.42	350.75
Research & Development	111.43	100.26
Travelling & Conveyance	131.65	142.53
Repairs & Maintenance		
- Machinery	138.15	115.57
-Truck & Tanker	48.09	52.91
Telephone & Postage Expenses	12.97	10.51
Insurance Expenses	13.74	5.97
Filing fees, Rates & Taxes	28.39	24.83
Payment to Auditors		
- Statutory Audit Fees	4.73	4.73
- Tax Audit Fees	.30	.30
- Quarterly Review	1.50	1.00
- Other Matter	-	.07
Legal & Consultancy Charges	193.99	195.16
Truck & Tanker Insurance & other tax	95.71	98.20
Subscription & Donation	42.97	55.43
Miscellaneous Expenses	337.20	299.75
Export Expenses	1280.49	644.02
Import Expenses	-	20.14
Loading & Unloading Expenses	71.00	43.28
Total	2971.19	2239.63

Note 27 Earnings per Share

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Net profit attributable to the shareholders (PAT)	1233.26	1130.00
b) Weighted average no. of equity share of face value of ₹ 10/- each	80,00,000	80,00,000
Basic earnings per share	15.42	14.12
c) Weighted average potential no. of equity shares	80,00,000	80,00,000
Diluted earnings per share	15.42	14.12

Note 28 Income tax Reconciliation

Reconciliation of Accounting profit and tax expense	As at March 31, 2025	As at March 31, 2024
Profit before tax	1675.38	1465.04
Tax at the Indian tax rate of 29.12% (previous year - 29.12%)	480.92	426.18
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Companies Act Depreciation	151.69	124.96
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Income Tax Act Depreciation	276.57	228.69
Tax effect of other adjustments	50.05	-12.89
Impact of Unabsorbed Depreciation	-	-
MAT Impact	-	-
Income Tax Recognized in Profit & Loss account (MAT)	305.99	335.35

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. Rajesh Mundhra, Director - Key Managerial Personnel

(iv) Navneet Bagri, CFO - Key Managerial Personnel

(v) Subhankar Paul, Company Secretary - Key Managerial Personnel

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

(₹ in Lakhs)

Particulars	Remuneration		Loans & Advances given	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Key Management Personnel	202.00	121.89	Nil	Nil
Relative of KMP	Nil	Nil	Nil	Nil
Closing Balance	16.83	8.82	Nil	Nil

Note 30 Employee Benefits:
a) Present Value of Obligations for Defined Benefits:

Particulars	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
As at the beginning of the year	46.69	36.03	256.43	236.12
Current Service Cost	8.55	6.44	15.20	14.17
Interest Cost	3.38	2.61	18.59	17.12
Actuarial (Gains)/Losses	6.40	4.99	31.40	1.23
Benefits paid	-13.16	-3.40	-76.30	-12.21
As at the end of year	51.86	46.69	245.32	256.43

b) Fair Value of Planned Assets:

Particulars	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
As at the beginning of the year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contribution by Employer	13.16	3.40	76.30	12.21
(Benefits Paid)	-13.16	-3.40	-76.30	-12.21
As at the end of the year	-	-	-	-

c) Key results (The amount to be recognized in the Balance Sheet):

(₹ in Lakhs)

Particulars	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Present value of the obligation at the end of the period	51.86	46.69	245.32	256.43
Fair value of plan assets at end of period	.00	.00	.00	.00
Net liability/(asset) recognized in Balance Sheet and related analysis	51.86	46.69	245.32	256.43
Funded Status - Surplus/ (Deficit)	-51.86	-46.69	-245.32	-256.43

d) Expense recognized in the statement of Profit and Loss:

Particulars	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Interest cost	3.38	2.61	18.59	17.12
Current service cost	8.55	6.44	15.20	14.17
Past Service Cost	.00	.00	.00	.00
Expected return on plan asset	.00	.00	.00	.00
Expenses to be recognized in P&L	11.93	9.06	33.79	31.28

e) Other comprehensive (income) / expenses (Remeasurement)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Cumulative unrecognized actuarial (gain)/loss opening. B/F	12.91	7.92	60.26	59.03
Actuarial (gain)/loss - obligation	6.40	4.99	31.40	1.23
Actuarial (gain)/loss - plan assets	.00	.00	.00	.00
Total Actuarial (gain)/loss	6.40	4.99	31.40	1.23
Cumulative total actuarial (gain)/loss. C/F	19.31	12.91	91.67	60.26

f) Net Interest Cost:

(₹ in Lakhs)

Particulars	Leave Encashment	Leave Encashment	Gratuity (Funded)	Gratuity (Funded)
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Interest cost on defined benefit obligation	-	-	18.59	17.12
Interest income on plan assets	-	-	.00	.00
Net interest cost (Income)	-	-	18.59	17.12

g) Experience adjustment:

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Experience Adjustment (Gain) / loss for Plan liabilities	3.62	4.99	21.92	1.23
Experience Adjustment Gain / (loss) for Plan assets	-	-	-	-

h) Summary of membership data at the date of valuation and statistics based thereon:

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Number of employees	228	224	228	224
Total monthly salary	3448211	3398885	3448211	3398885
Average Past Service(Years)	10.8	11.7	10.8	11.7
Average Future Service (yrs)	20.2	18.4	20.2	18.4
Average Age(Years)	39.8	41.6	39.8	41.6
Total Leave With Cap/Without Cap	8,966/9,480	8,417/8,969	8	6
Total CTC / Availment Rate	68,96,422 / 3%	67,97,770 / 3%	15124	15174
Weighted average duration (based on discounted cash flows) in years	13	10	8	6
Average monthly salary	15124	15174	15124	15174

i) Actuarial assumptions provided by the company and employed for the calculations are tabulated:

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Discount rate	6.75 % per annum	7.25 % per annum	6.75 % per annum	7.25 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Attrition / Withdrawal Rate (per Annum)	10.00% p.a.	5.00% p.a.	10.00% p.a.	5.00% p.a.

j) Benefits valued:

Normal Retirement Age	60 Years	60 Years	60 Years	60 Years
Salary	As per rules of the company	As per rules of the company	Last drawn qualifying salary	Last drawn qualifying salary
Vesting Period	0	0	5 Years of service	5 Years of service
Benefits on Normal Retirement	$1/30 \times \text{Salary} \times \text{Number of leaves.}$	$1/30 \times \text{Salary} \times \text{Number of leaves.}$	$15/26 \times \text{Salary} \times \text{Past Service (yr).}$	$15/26 \times \text{Salary} \times \text{Past Service (yr).}$
Benefit on early exit due to death and disability	As above, subject to rules of the company.	As above, subject to rules of the company.	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	As above, subject to rules of the company.	As above, subject to rules of the company.	2000000	2000000
Benefit on death	As above, subject to rules of the company.	As above, subject to rules of the company.	-	-

k) Current Liability (*Expected payout in next year as per schedule III of the Companies Act, 2013) : (₹ in Lakhs)

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Current Liability (Short Term)*	10.17	12.81	46.53	71.29
Non Current Liability (Long Term)	41.69	33.87	198.80	185.14
Total Liability	51.86	46.69	245.32	256.43

l) Effect of plan on entity's future cash flows

l) (i): Funding arrangements and funding policy: Not Applicable

l) (ii): Expected contribution during the next annual reporting period

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
The Company's best estimate of Contribution during the next year	-	-	19.71	20.31

l) (iii): Maturity Profile of Defined Benefit Obligation: Maturity analysis of benefit obligations.

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
01 Apr 2024 to 31 Mar 2025	-	-	46.53	-
01 Apr 2025 to 31 Mar 2026	-	-	33.81	-
01 Apr 2026 to 31 Mar 2027	-	-	37.10	-
01 Apr 2027 to 31 Mar 2028	-	-	26.05	-
01 Apr 2028 to 31 Mar 2029	-	-	23.84	-
01 Apr 2029 Onwards	-	-	77.99	-

m) Projection for next period:

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
The Company's best estimate of Contribution during the next year	-	-	19.71	-

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

Period	As at March 31, 2025	As at March 31, 2024
Defined Benefit Obligation (Base)	51,86,448	2,45,32,321 @ Salary Increase Rate : 5%, and discount rate :6.75%
Liability with x% increase in Discount Rate	49,24,876; x=1.00% [Change (5)%]	2,35,28,124; x=1.00% [Change (4)%]
Liability with x% decrease in Discount Rate	54,78,272; x=1.00% [Change 6%]	2,56,25,354; x=1.00% [Change 4%]
Liability with x% increase in Salary Growth Rate	54,80,452; x=1.00% [Change 6%]	2,56,33,508; x=1.00% [Change 4%]
Liability with x% decrease in Salary Growth Rate	49,18,354; x=1.00% [Change (5)%]	2,35,02,886; x=1.00% [Change (4)%]
Liability with x% increase in Withdrawal Rate	52,13,586; x=1.00% [Change 1%]	2,45,83,389; x=1.00% [Change 0%]
Liability with x% decrease in Withdrawal Rate	51,56,546; x=1.00% [Change (1)%]	2,44,75,963; x=1.00% [Change 0%]

o) Reconciliation of liability in balance sheet

Period	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Opening gross defined benefit liability/ (asset)	46.69	36.03	256.43	236.12
Expenses to be recognized in P&L	11.93	9.06	33.79	31.28
OCI- Actuarial (gain)/ loss-Total current period	6.40	4.99	31.40	1.23
Benefits paid (if any)	-13.16	-3.40	-76.30	-12.21
Closing gross defined benefit liability/ (asset)	51.86	46.69	245.32	256.43

p) Defined Contribution Plans

Provident Fund for certain eligible employees is administered by the Company through Employees Provident Fund as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The amount contributed is recognized as an expense and included in "Company's contributions to PF & other funds" of Statement of Profit and Loss account is Rs. 57.18 lakhs (LY Rs. 48.73 lakhs).

Notes

(a) The Estimates of future salary increases, considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(b) Discount rate is based upon the market yields available on Government Bonds at the accounting date with that of liabilities.

Note 31

The Company has not received full information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED ACT); hence disclosure relating to the amount unpaid at year-end together with interest paid/payable have been given based on the information so far available with the Company / identified by the Company management.

Note 32 Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Travelling	20.55	26.74
Professional for R & D Expenses	-	-
Commission	-	-
Business Development Expenses	20.29	8.46

Note 33 Earnings in Foreign Currency

Particulars	As at March 31, 2025	As at March 31, 2024
Value of Exports on FOB basis	8150.93	5672.48
Brokerage and Commission received	-	-

Note 34 CIF Value of imports

Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	8255.62	3670.17

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 2,82,74,459/- and 1,57,00,000/- 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	As at March 31, 2025	As at March 31, 2024
Debt	1779.40	1909.34
Cash and Bank balance	575.25	804.50
Net Debt	1204.14	1104.84
Total Equity	7744.88	6550.01
Net debt to Equity ratio/ Gearing Ratio	0.16	0.17

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, 2025 & March 31, 2024.

Financial Assets Measured at Amortized Cost	Current		Non Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Trade receivables	5163.80	3429.74	-	-
Cash and cash equivalents	575.25	804.50	-	-
Other Bank Balances	1232.51	701.66	-	-
Loans	70.81	288.39	-	-
Other Financial Assets	181.59	36.23	36.12	70.87
Measured at fair value through OCI				
Investments	-	-	3.75	4.33
Total Financial Assets	7223.97	5260.52	39.87	75.20
Financial Liabilities Measured at Amortized Cost	Current		Non Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Borrowings	1749.87	1112.58	1618.49	1774.46
Lease Liabilities	34.02	19.24	.00	9.49
Trade payables	4534.85	4951.93	-	-
Other financial liabilities	290.58	224.78	-	-
Total Financial Liabilities	6609.32	6308.53	1618.49	1783.95

Note 40A

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

Note 40B

As per NCLT Order, we purchased RCHEM Industries Pvt. Ltd. In consideration of Rs 3,01,25,000/- but the shares of the Company have not been transferred in the name of ARCL Organics Ltd as on 31/03/2025. So that the M/s RCHEM Industries Pvt. Ltd. is not considered a Subsidiary Company of ARCL Organics Ltd. In this regards the transferred value is shown under Other Current Assets in Note no.-12.

Note 41 Financial Risk Management

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

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

Market Risk – interest rate	Long Term Borrowings/Liabilities	...	Monitoring of interest rate movements	Market Risk – interest rate
Market Risk – security prices	Investment in Securities	...	Portfolio Management	Market Risk – security prices
Risk	Exposure arising from	Measurement	Management	Risk

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:

Age of receivables	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Less than six months	4485.97	3156.59
More than six months	677.83	273.15

b) Liquidity Risk

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

c) Market Risk

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

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

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

(iii) Security Price Risk -. The company's exposure to securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or fair value through Profit or Loss.

To manage the price risk arising from investments, the company diversifies its portfolio. Diversification of a portfolio is done in accordance with the directions of the Board.

Note 42

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2025	As at March 31, 2025	As at March 31, 2024	As at March 31, 2024
	USD	EURO	USD	EURO
Financial Assets				
Trade Receivables	21.92	3.18	14.67	.11
Financial Liabilities				
Trade Payables	15.01	-	10.37	-

Note 43 Expenditure on Research and Development

During this year company incurred Rs 3,81,463/- for the purchase of Research and Development equipment in Fixed Assets and incurred expenses disclose in Note 26 of Rs 1,11,42,665/-.

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

Particulars	As at March 31, 2025	As at March 31, 2024
Employees benefits expense	98.52	77.01
Miscellaneous expenses	12.90	23.24

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

Particulars	As at March 31, 2025	As at March 31, 2024
Capital Expenditure	5.32	3.81

Note 44

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

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

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

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

(v) 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.

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

Note 45 Details of CSR expenditure

Particulars	As at March 31, 2025	As at March 31, 2024
(i) amount required to be spent by the company during the year	21.97	19.71
(ii) amount of expenditure incurred	20.00	20.00
(iii) shortfall at the end of the year	-	-
(iv) total of previous years shortfall	-	-
(v) reason for shortfall,	-	-
(vi) nature of CSR activities	Rural development projects	Primary Health & Education
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	2,00,000 for promoting health care including preventive health care at Rudraprayag (Chairman of the Company is the trustee of Trust)	-
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

Note 45 (a) Auditor's Remuneration
(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Audit fees	4.20	4.20
Tax audit fees	.30	.30
Limited Review	1.50	1.50
Reimbursement of expenses	-	-
Others	-	-
Total	6.00	6.00

Note 46
Note on Segment reporting to be included by updating the below language

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

Note 47 Particulars of Derivative instruments and unhedged foreign currency exposure:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount in Foreign Currency US\$	Amount	Amount in Foreign Currency US\$	Amount
Purchase of Raw Material				
a) Creditors	15.01	1290.77	10.37	868.55
b) Buyer's Credit	-	-	-	-
Hedged Foreign Currency	-	-	-	-
Buyers Credit (USD)	-	-	-	-

Particulars	As at March 31, 2025		As at March 31, 2024	
	Amount in Foreign Currency US\$	Amount	Amount in Foreign Currency US\$	Amount
Purchase of Traded Goods				
a) Creditors	-	-	-	-
b) Buyer's Credit	-	-	-	-
Hedged Foreign Currency	-	-	-	-
Buyers Credit (USD)	-	-	-	-

Note 48 Lease Liability
(₹ in Lakhs)

Particulars	As at March 31, 2025			As at March 31, 2024		
	Non Current	Current	Total	Non Current	Current	Total
Opening	19.24	9.49	28.73	19.76	8.03	18.93
Addition	12.80	11.24	24.04	16.27	9.60	25.87
Interest Cost	-	4.43	4.43	-	-	.66
Deletion	-	-	-	-	-	-
Lease Payment	-	23.18	23.18	-	-	16.72
Closing	32.04	1.99	34.02	19.24	9.49	28.73

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

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	-	9.49
More than one year but less than five years	34.02	19.24
More than Five Years	-	-
Total	34.02	28.73

Note 49 Assets Pledged as Security

The carrying amounts of assets pledged as security for current borrowings are:

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Financial assets	6700.28	5766.86
First charge	-	-
Margin Money	118.58	140.38
Inventories	1419.77	2211.66
Trade Recivable	5161.93	3414.82
Non-financial assets		
Total current assets pledged as security	6700.28	5766.86
Non-current		
Financial assets		

First charge		
Fixed Deposit	1113.93	561.27
Non-financial assets		
Total non-currents assets pledged as security	1113.93	561.27
Total assets pledged as security	7814.21	6328.13

Note 50

Revenue from sale of major products in terms of type of sale / customer and based on primary geographical market:

(₹ in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Type of Goods & Services		
Amino Powder	5189.35	4359.79
AQUA-SB	1832.39	2323.96
EPOXY RESIN	92.81	110.96
FMLD	11131.30	7904.78
Liquid	157.65	6.17
PF POWDER	5322.90	3343.94
PHENOLICS	347.59	561.26
TRADING SALES	757.66	334.21
Total	24831.64	18945.07
Geographical Region		
India	16680.72	13272.59
Overseas	8150.93	5672.48
Total	24831.64	18945.07
Type of Sales		
Manufactured	24073.99	18610.86
Traded	757.66	334.21
Type of customers		
Government	-	-
Non-government	24831.64	18945.07
Total	24831.64	18945.07

Note 51
(₹ in Lakhs)
Additional Disclosure required in accordance with Schedule III to the Companies Act, 2013

Name of the Entity	Net Asset i.e. Total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
ARCL Organics Ltd	97.68	7565.15	95.28	1175.10	100	-38.39	95	1136.71
Subsidiary								
Allied Maritime & Infra Engineering Private Ltd	0.27	20.61	0.83	10.21	-	-	0.85	10.21
ARCL Petrochemicals Limited	0.26	19.81	1.04	12.79	-	-	1.07	12.79
Ocilim Advisory Services Private Ltd.	0.13	10.42	0.39	4.86	-	-	0.41	4.86
Wide Range Merchants Private Ltd.	0.21	16.49	0.97	11.99	-	-	1.00	11.99
Nocnex Chemicals Private Ltd.	0.16	12.40	0.31	3.78	-	-	0.32	3.78
Yocnex Chemicals Private Ltd.	0.14	10.81	0.36	4.45	-	-	0.37	4.45
Sukcess Chemicals Private Ltd.	1.15	89.20	0.82	10.08	-	-	0.84	10.08
Total	100	7744.88	100	1233.26	100	-38.39	100	1194.87



250
APPROX

200

150

100

50

250ml

500ml



ARCL
Adhesives, Resins & Chemicals

CORPORATE OFFICE

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